

<i>SERFF Tracking Number:</i>	<i>GCCW-125383051</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>General Casualty Company of Wisconsin, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>020108 10363F</i>		
<i>TOI:</i>	<i>05.0 Commercial Multi-Peril - Liability & Non- Liability</i>	<i>Sub-TOI:</i>	<i>05.0003 Commercial Package</i>
<i>Product Name:</i>	<i>AR Form Intro CX</i>		
<i>Project Name/Number:</i>	<i>AR Form Intro CX/</i>		

Filing at a Glance

Companies: General Casualty Company of Wisconsin, Regent Insurance Company		
Product Name: AR Form Intro CX	SERFF Tr Num: GCCW-125383051	State: Arkansas
TOI: 05.0 Commercial Multi-Peril - Liability & Non-Liability	SERFF Status: Closed	State Tr Num: EFT \$50
Sub-TOI: 05.0003 Commercial Package	Co Tr Num: 020108 10363F	State Status: Fees verified and received
Filing Type: Form	Co Status:	Reviewer(s): Betty Montes, Llyweyia Rawlins, Brittany Yielding
	Author: Katie Fischer	Disposition Date: 01/03/2008
	Date Submitted: 12/12/2007	Disposition Status: Approved
Effective Date Requested (New): 02/01/2008		Effective Date (New): 02/01/2008
Effective Date Requested (Renewal): 02/01/2008		Effective Date (Renewal): 02/01/2008
State Filing Description:		

General Information

Project Name: AR Form Intro CX	Status of Filing in Domicile: Not Filed
Project Number:	Domicile Status Comments: NA
Reference Organization: NA	Reference Number: NA
Reference Title: NA	Advisory Org. Circular: NA
Filing Status Changed: 01/03/2008	
State Status Changed: 12/14/2007	Deemer Date:
Corresponding Filing Tracking Number:	
Filing Description:	
Re: General Casualty Company of Wisconsin; FEIN # 39-0301590, NAIC # 0796-24414	
Regent Insurance Company; FEIN # 39-6062860, NAIC # 0796-24449	
Commercial Contractors Program Introduction	
Effective Date: New Business: February 1, 2008	

<i>SERFF Tracking Number:</i>	<i>GCCW-125383051</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>General Casualty Company of Wisconsin, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>020108 10363F</i>		
<i>TOI:</i>	<i>05.0 Commercial Multi-Peril - Liability & Non-</i>	<i>Sub-TOI:</i>	<i>05.0003 Commercial Package</i>
	<i>Liability</i>		
<i>Product Name:</i>	<i>AR Form Intro CX</i>		
<i>Project Name/Number:</i>	<i>AR Form Intro CX/</i>		

Company File #: 020108 10363F

Dear Commissioner:

This filing is intended to introduce our Commercial Contractors Program into the state of Arkansas. This program is designed for small to medium sized commercial risks. This filing includes all applicable forms that we intend to use when writing this line of business.

Details of the forms applicable to this program can be found in the enclosed memorandum. Please feel free to contact me if you have any questions or need any additional information on this filing. Thank you for your attention and consideration.

Company and Contact

Filing Contact Information

Katie Fisher, Rate Development Technician	katie.fisher@generalcasualty.com
One General Drive	(608) 825-5168 [Phone]
Sun Prairie, WI 53596	(608) 825-5100[FAX]

Filing Company Information

General Casualty Company of Wisconsin	CoCode: 24414	State of Domicile: Wisconsin
One General Drive	Group Code: 796	Company Type: Property & Casualty
Sun Prairie, WI 53596	Group Name:	State ID Number:
(608) 837-4440 ext. [Phone]	FEIN Number: 39-0301590	

Regent Insurance Company	CoCode: 24449	State of Domicile: Wisconsin
One General Drive	Group Code: 796	Company Type: Property & Casualty
Sun Prairie, WI 53596	Group Name:	State ID Number:
(608) 837-4440 ext. [Phone]	FEIN Number: 39-6062860	

SERFF Tracking Number:	GCCW-125383051	State:	Arkansas
First Filing Company:	General Casualty Company of Wisconsin, ...	State Tracking Number:	EFT \$50
Company Tracking Number:	020108 10363F		
TOI:	05.0 Commercial Multi-Peril - Liability & Non- Liability	Sub-TOI:	05.0003 Commercial Package
Product Name:	AR Form Intro CX		
Project Name/Number:	AR Form Intro CX/		

Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	\$50 form filing
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
General Casualty Company of Wisconsin	\$50.00	12/12/2007	17071764
Regent Insurance Company	\$0.00	12/12/2007	

SERFF Tracking Number: GCCW-125383051 State: Arkansas
 First Filing Company: General Casualty Company of Wisconsin, ... State Tracking Number: EFT \$50
 Company Tracking Number: 020108 10363F
 TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package
 Liability
 Product Name: AR Form Intro CX
 Project Name/Number: AR Form Intro CX/

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	01/03/2008	01/03/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Llyweyia Rawlins	12/26/2007	12/26/2007	Katie Fischer	01/03/2008	01/03/2008

Amendments

Item	Schedule	Created By	Created On	Date Submitted
Contractors Additional Declaration - Coverage Options (Page 1 and 2)	Form	Katie Fischer	12/18/2007	12/18/2007

<i>SERFF Tracking Number:</i>	<i>GCCW-125383051</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>General Casualty Company of Wisconsin, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>020108 10363F</i>		
<i>TOI:</i>	<i>05.0 Commercial Multi-Peril - Liability & Non-</i>	<i>Sub-TOI:</i>	<i>05.0003 Commercial Package</i>
	<i>Liability</i>		
<i>Product Name:</i>	<i>AR Form Intro CX</i>		
<i>Project Name/Number:</i>	<i>AR Form Intro CX/</i>		

Disposition

Disposition Date: 01/03/2008
 Effective Date (New): 02/01/2008
 Effective Date (Renewal): 02/01/2008
 Status: Approved
 Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

SERFF Tracking Number: GCCW-125383051 State: Arkansas

First Filing Company: General Casualty Company of Wisconsin, ... State Tracking Number: EFT \$50

Company Tracking Number: 020108 10363F

TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package Liability

Product Name: AR Form Intro CX

Project Name/Number: AR Form Intro CX/

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Forms Memorandum	Approved	Yes
Form	Contractors Policy Jacket & Quick Reference	Approved	Yes
Form	Contractors Declarations	Approved	Yes
Form	Contractors Additional Declaration-Property Coverage Schedule Of Premises	Approved	Yes
Form (revised)	Contractors Additional Declaration - Coverage Options (Page 1 and 2)	Approved	Yes
Form	Contractors Additional Declaration - Coverage Options (Page 1 and 2)	Approved	Yes
Form	Contractors Additional Declaration - Supplemental Schedule Of Premises	Approved	Yes
Form	Contractors Equipment Schedule Declarations	Approved	Yes
Form	Contractors Policy	Approved	Yes
Form	Standard Property Coverage	Approved	Yes
Form	Earthquake Coverage	Approved	Yes
Form	Loss Payable Provisions	Approved	Yes
Form	Building Coverage For Building Owners Endorsement	Approved	Yes
Form	Blanket Property Insurance	Approved	Yes
Form	Ordinance Or Law Coverage	Approved	Yes
Form	Exclusion - Damage to Premises Rented to You	Approved	Yes
Form	Exclusion - Medical Expenses Coverage	Approved	Yes
Form	Schedule of Additional Insureds	Approved	Yes
Form	Exclusion - All Hazards In Connection With Designated Premises	Approved	Yes
Form	Additional Persons Insured - Employee Bodily Injury To Another Employee	Approved	Yes
Form	Employee Benefit Liability Coverage	Approved	Yes
Form	Limited Pollution Coverage - Work Sites	Approved	Yes

SERFF Tracking Number: GCCW-125383051 State: Arkansas

First Filing Company: General Casualty Company of Wisconsin, ... State Tracking Number: EFT \$50

Company Tracking Number: 020108 10363F

TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package Liability

Product Name: AR Form Intro CX

Project Name/Number: AR Form Intro CX/

Form	Contractors Errors And Omissions Liability Coverage	Approved	Yes
Form	Pesticide Or Herbicide Applicator Coverage	Approved	Yes
Form	Exterior Insulation And Finish Systems Exclusion	Approved	Yes
Form	Fungi Or Bacteria Exclusion	Approved	Yes
Form	Exclusion - Lead Liability	Approved	Yes
Form	Additional Insured Endorsement - Scheduled Person Or Organization	Approved	Yes
Form	Waiver Of Transfer Of Rights Of Recovery Against Others To Us- Contractors Liability Coverage	Approved	Yes
Form	Amendments Of Limits For Moisture Related Damage	Approved	Yes
Form	Contractors Equipment - Standard Coverage	Approved	Yes
Form	Exclusion - Installation & Construction Coverage	Approved	Yes
Form	Contractors Inland Marine Loss Payable Provisions	Approved	Yes
Form	Hired Contractors Equipment	Approved	Yes
Form	Weight Of Load Extension	Approved	Yes
Form	Water Back Up Of Sewers Of Drains	Approved	Yes
Form	Coinurance Waiver	Approved	Yes
Form	Premium Audit Endorsement	Approved	Yes
Form (revised)	Arkansas Changes - Cancellation And Nonrenewal	Approved	Yes
Form	Arkansas Changes - Cancellation And Nonrenewal	Approved	Yes
Form	Arkansas Employment-Related Practices Liability Coverage Endorsement	Approved	Yes

SERFF Tracking Number: GCCW-125383051 State: Arkansas
First Filing Company: General Casualty Company of Wisconsin, ... State Tracking Number: EFT \$50
Company Tracking Number: 020108 10363F
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package
Liability
Product Name: AR Form Intro CX
Project Name/Number: AR Form Intro CX/

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 12/26/2007
Submitted Date 12/26/2007
Respond By Date 01/08/2008

Dear Katie Fisher,

The appraisal clause(s) found in this filing should be amended to comply with Ark. Code Ann. §23- 79-203 and Arkansas Bulletin No. 19-89. The clause(s) must specifically state it is non-binding and voluntary.

The applicable provision of the Arkansas Statute of Limitations of the Arkansas General Code, allows five (5) years in which to commence litigation for this insurance contract. You may amend by extending the time limit to five (5) years or by stating, "within the time allowed by law."

Please feel free to contact me if you have questions.

Sincerely,

Llyweyia Rawlins

Response Letter

Response Letter Status Submitted to State
Response Letter Date 01/03/2008
Submitted Date 01/03/2008

Dear Llyweyia Rawlins,

Comments:

Response 1

Comments: Dear Llyweyia Rawlins,

We have amended the form CX 8102 0408 per your request. The form number and edition date remain the same, however the title has changed. I have attached a mocked copy and a final copy. The mocked copy has the changes underlined. Please let me know if you need anything else. Thank you.

Katie Fischer
608-825-5168

SERFF Tracking Number: GCCW-125383051 State: Arkansas

First Filing Company: General Casualty Company of Wisconsin, ... State Tracking Number: EFT \$50

Company Tracking Number: 020108 10363F

TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package Liability

Product Name: AR Form Intro CX

Project Name/Number: AR Form Intro CX/

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Arkansas Changes - Cancellation And Nonrenewal	CX 8102	0408	Endorsement/Amendment/Conditions	New		0	CX 8102 0408 - Arkansas Changes-MOCKED.pdf,CX 8102 0408 - Arkansas Changes-FINAL.pdf

Previous Version

Arkansas Changes - Cancellation And Nonrenewal	CX 8102	0408	Endorsement/Amendment/Conditions	New		0	CX 8102 0408 - Arkansas Changes - Cancellati on and Nonrenew al.pdf
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No Rate/Rule Schedule items changed.

Sincerely,
Katie Fischer

SERFF Tracking Number: GCCW-125383051 State: Arkansas
 First Filing Company: General Casualty Company of Wisconsin, ... State Tracking Number: EFT \$50
 Company Tracking Number: 020108 10363F
 TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package
 Liability
 Product Name: AR Form Intro CX
 Project Name/Number: AR Form Intro CX/

Amendment Letter

Amendment Date:
 Submitted Date: 12/18/2007

Comments:

We have noticed we did not send the most current version of CX 0005 Page 2. I am revising the Schedule for CX 0005 Pg 2 only. The 0799 edition date was sent and should be 0407. Please let me know if you have any questions. Thank you.

Katie Fischer
 608-825-5168

Changed Items:

Form Schedule Item Changes:

Form Name	Form Number	Edition Date	Form Type	Action	Replaced Form #	Previous Filing #	Readability Score	Attachments
Contractors Additional Declaration - Coverage Options (Page 1 and 2)	CX 0005	0407	Declarati ons/Schedule	New			0	Coverage Optional Declaratons (Page 1).pdf Coverage Optional Declaration (Page 2) CX 0005 0407.pdf

SERFF Tracking Number: GCCW-125383051 State: Arkansas

First Filing Company: General Casualty Company of Wisconsin, ... State Tracking Number: EFT \$50

Company Tracking Number: 020108 10363F

TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package Liability

Product Name: AR Form Intro CX

Project Name/Number: AR Form Intro CX/

Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type	Action	Action Specific Data	Readability	Attachment
Approved	Contractors Policy Jacket & Quick Reference	CX 0002	0400	Other	New		0.00	CX 0002 0400 CONTRACTORS POLICY JACKET AND QUICK REFERENCE - GCW.pdf CX 0002 0400 CONTRACTORS POLICY JACKET AND QUICK REFERENCE - Regent.pdf
Approved	Contractors Declarations	CX 0001	0799	Declaration	New s/Schedule		0.00	CX 0001 0799 CONTRACTORS DECLARATIONS.pdf
Approved	Contractors Additional Declaration-Property Coverage Schedule Of Premises	CX 0004	0799	Declaration	New s/Schedule		0.00	CX 0004 0799 CONTRACTORS ADDITIONAL DEC-PROPERTY.

SERFF Tracking Number: GCCW-125383051 State: Arkansas

First Filing Company: General Casualty Company of Wisconsin, ... State Tracking Number: EFT \$50

Company Tracking Number: 020108 10363F

TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package Liability

Product Name: AR Form Intro CX

Project Name/Number: AR Form Intro CX/

Approved	Contractors Additional Declaration - Coverage Options (Page 1 and 2)	CX 0005	0407	Declaration New s/Schedule	0.00	pdf Coverage Optional Declaratons (Page 1).pdf Coverage Optional Declaration (Page 2) CX 0005 0407.pdf
Approved	Contractors Additional Declaration - Supplemental Schedule Of Premises	CX 0006	0799	Declaration New s/Schedule	0.00	CX 0006 0799 CONTRACT ORS ADDITIONA L DEC- SUPPLEME NTAL SCHED OF PREMISES. pdf
Approved	Contractors Equipment Schedule Declarations	CX 3000	0799	Declaration New s/Schedule	0.00	CX 3000 0799 CONTRACT ORS EQUIPMEN T SCHED DEC.pdf
Approved	Contractors Policy	CX 0003	0806	Policy/CoveNew rage Form	0.00	CX 0003 0806 CONTRACT ORS POLICY.pdf
Approved	Standard Property Coverage	CX 1001	0999	Endorseme New nt/Amendm ent/Condi	0.00	CX 1001 0999 STANDARD

SERFF Tracking Number: GCCW-125383051 State: Arkansas
 First Filing Company: General Casualty Company of Wisconsin, ... State Tracking Number: EFT \$50
 Company Tracking Number: 020108 10363F
 TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package Liability
 Product Name: AR Form Intro CX
 Project Name/Number: AR Form Intro CX/

ons					PROPERTY COVERAGE .pdf	
Approved	Earthquake Coverage	CX 1002	0999	Endorsement New nt/Amendment/Condi tions	0.00	CX 1002 0999 EARTHQUAKE COVERAGE .pdf
Approved	Loss Payable Provisions	CX 1003	0999	Endorsement New nt/Amendment/Condi tions	0.00	CX 1003 0999 LOSS PAYABLE PROVISION S.pdf
Approved	Building Coverage For Building Owners Endorsement	CX 1004	1289	Endorsement New nt/Amendment/Condi tions	0.00	CX 1004 1289 BUILDING COVERAGE FOR BUILDING OWNERS ENDORSEM ENT.pdf
Approved	Blanket Property Insurance	CX 1019	0999	Endorsement New nt/Amendment/Condi tions	0.00	CX 1019 0999 BLANKET PROPERTY INSURANC E.pdf
Approved	Ordinance Or Law Coverage	CX 1020	0999	Endorsement New nt/Amendment/Condi tions	0.00	CX 1020 0999 ORDINANC E OR LAW COVERAGE .pdf
Approved	Exclusion - Damage to	CX 2000	0999	Endorsement New nt/Amendment	0.00	CX 2000 0999

SERFF Tracking Number: GCCW-125383051 State: Arkansas

First Filing Company: General Casualty Company of Wisconsin, ... State Tracking Number: EFT \$50

Company Tracking Number: 020108 10363F

TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package Liability

Product Name: AR Form Intro CX

Project Name/Number: AR Form Intro CX/

	Premises Rented to You			ent/Condi tions		EXCLUSION FIRE DAMAGE.pdf
Approved	Exclusion - Medical Expenses Coverage	CX 2001	0999	Endorsement/Amendment/Conditions	0.00	CX 2001 0999 EXCLUSION MEDICAL EXPENSES COVERAGE .pdf
Approved	Schedule of Additional Insureds	CX 2002	0787	Endorsement/Amendment/Conditions	0.00	CX 2002 0787 SCHEDULE OF ADDITION INSURED. pdf
Approved	Exclusion - All Hazards In Connection With Designated Premises	CX 2003	0999	Endorsement/Amendment/Conditions	0.00	CX 2003 0999 EXCLUSION ALL HAZARDS IN CONNECTI N WITH DESIGNATE D PREMISES. pdf
Approved	Additional Persons Insured - Employee Bodily Injury To Another Employee	CX 2005	0806	Endorsement/Amendment/Conditions	0.00	CX 2005 0806 ADDITIONA L PERSONS INSURED EMPLOYEE BODILY

SERFF Tracking Number: GCCW-125383051 State: Arkansas
 First Filing Company: General Casualty Company of Wisconsin, ... State Tracking Number: EFT \$50
 Company Tracking Number: 020108 10363F
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 Product Name: AR Form Intro CX
 Project Name/Number: AR Form Intro CX/

						INJURY TO ANOTHER EMPLOYEE.pdf
Approved	Employee Benefit CX 2006 Liability Coverage	0806	Endorsement/Amendment/Conditions	0.00		CX 2006 0806 EMPLOYEE BENEFIT LIABILITY COVERAGE .pdf
Approved	Limited Pollution Coverage - Work Sites	CX 2007 0806	Endorsement/Amendment/Conditions	0.00		CX 2007 0806 LIMITED POLLUTION COVERAGE WORK SITES.pdf
Approved	Contractors Errors And Omissions Liability Coverage	CX 2012 0999	Endorsement/Amendment/Conditions	0.00		CX 2012 0999 CONTRACTORS ERRORS AND OMISSIONS LIABILITY COVERAGE .pdf
Approved	Pesticide Or Herbicide Applicator Coverage	CX 2013 0999	Endorsement/Amendment/Conditions	0.00		CX 2013 0999 PESTICIDE OR HERBICIDE APPLICATOR COVERAGE .pdf

SERFF Tracking Number: GCCW-125383051 State: Arkansas

First Filing Company: General Casualty Company of Wisconsin, ... State Tracking Number: EFT \$50

Company Tracking Number: 020108 10363F

TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package Liability

Product Name: AR Form Intro CX

Project Name/Number: AR Form Intro CX/

Approved	Exterior Insulation And Finish Systems Exclusion	CX 2015	0702	Endorsement/Amendment/Conditions	0.00	CX 2015 0702 EXTERIOR INSULATION AND FINISH SYSTEMS EXCLUSION.pdf
Approved	Fungi Or Bacteria Exclusion	CX 2016	0806	Endorsement/Amendment/Conditions	0.00	CX 2016 0806 FUNGI OR BACTERIA EXCLUSION.pdf
Approved	Exclusion - Lead Liability	CX 2018	0402	Endorsement/Amendment/Conditions	0.00	CX 2018 0402 EXCLUSION LEAD LIABILITY.pdf
Approved	Additional Insured Endorsement - Scheduled Person Or Organization	CX 2021	0806	Endorsement/Amendment/Conditions	0.00	CX 2021 0806 ADDITIONAL INSURED ENDORSEMENT-SCHEDULED PERSON OR ORGANIZATION.pdf
Approved	Waiver Of Transfer Of Rights Of Recovery Against Others To Us-	CX 2022	1002	Endorsement/Amendment/Conditions	0.00	CX 2022 1002 WAIVER OF TRANSFER OF RIGHTS

SERFF Tracking Number: GCCW-125383051 State: Arkansas

First Filing Company: General Casualty Company of Wisconsin, ... State Tracking Number: EFT \$50

Company Tracking Number: 020108 10363F

TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package Liability

Product Name: AR Form Intro CX

Project Name/Number: AR Form Intro CX/

Contractors Liability Coverage					OF RECOVERY AGAINST OTHERS TO US - CONTRACTORS LIABILITY.pdf	
Approved	Amendments Of Limits For Moisture Related Damage	CX 2023	0204	Endorsement/New Amendment/Conditions	0.00	CX 2023 0204 AMENDMENTS OF LIMITS FOR MOISTURE RELATED DAMAGE.pdf
Approved	Contractors Equipment - Standard Coverage	CX 3001	0999	Endorsement/New Amendment/Conditions	0.00	CX 3001 0999 CONTRACTORS EQUIPMENT STANDARD COVERAGE .pdf
Approved	Exclusion - Installation & Construction Coverage	CX 3002	0999	Endorsement/New Amendment/Conditions	0.00	CX 3002 0999 EXCLUSION INSTALLATION AND CONSTRUCTION COVERAGE .pdf
Approved	Contractors	CX 3003	1289	Endorsement/New	0.00	CX 3003

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Product Name: AR Form Intro CX

Project Name/Number: AR Form Intro CX/

	Inland Marine			nt/Amendm		1289
	Loss Payable			ent/Condi		CONTRACT
	Provisions			ons		ORS
						INLAND
						MARINE
						LOSS
						PAYABLE
						PROVISION
						S.pdf
Approved	Hired Contractors CX 3005	0796		Endorseme New	0.00	CX 3005
	Equipment			nt/Amendm		0796 HIRED
				ent/Condi		CONTRACT
				ons		ORS
						EQUIPMEN
						T.pdf
Approved	Weight Of Load CX 3007	0999		Endorseme New	0.00	CX 3007
	Extension			nt/Amendm		0999
				ent/Condi		WEIGHT OF
				ons		LOAD
						EXTENSION
						.pdf
Approved	Water Back Up CX 3008	0999		Endorseme New	0.00	CX 3008
	Of Sewers Of			nt/Amendm		0999
	Drains			ent/Condi		WATER
				ons		BACK UP
						OF
						SEWERS
						OR
						DRAINS.pdf
Approved	Coinsurance CX 3011	0500		Endorseme New	0.00	CX 3011
	Waiver			nt/Amendm		0500
				ent/Condi		COINSURA
				ons		NCE
						WAIVER.pdf
Approved	Premium Audit CX 5012	1101		Endorseme New	0.00	CX 5012
	Endorsement			nt/Amendm		1101
				ent/Condi		PREMIUM

SERFF Tracking Number: GCCW-125383051 State: Arkansas
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 Liability
 Product Name: AR Form Intro CX
 Project Name/Number: AR Form Intro CX/

				ons			AUDIT ENDORSEM ENT.pdf
Approved	Arkansas Changes - Cancellation And Nonrenewal	CX 8102	0408	Endorseme New nt/Amendm ent/Condi ons	0.00	CX 8102 0408 - Arkansas Changes- MOCKED.pd f CX 8102 0408 - Arkansas Changes- FINAL.pdf	
Approved	Arkansas Employment- Related Practices Liability Coverage Endorsement	CX 8103	0408	Endorseme New nt/Amendm ent/Condi ons	0.00	CX 8103 0408 - Arkansas EPL Endorsemen t.pdf	

General Casualty Company of Wisconsin

One General Drive
Sun Prairie, WI 53596
Telephone 608-837-4440

Contractors Policy

Insured Name
Address 1
Address 2
City State Zip Code

Your Independent Agent is:

Agent Name
Address1
City State Zip Code
Phone number: (XXX) XXX-XXX

Our Regional Office:

Address 1
City State Zip Code
Phone Number:
Fax Number:

Contractors Policy Quick Reference

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

Policy Period	This policy period begins at 12:01 a.m. standard time at the named insured's mailing address on the date shown in the Declarations.
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This Contractors Policy consists of several items as described below:

Declaration Pages	The Declarations list the named insured, policy period, the coverages provided and the limits of insurance. They also show the forms and endorsements that apply to this policy.
Coverage Forms	The Coverage Forms describe the nature and extent of coverage provided. They also include any conditions that apply specifically to the Coverage Forms.
Additional Provisions or Exclusions	This policy may be modified by additional provisions or exclusions. When this happens, the forms which contain those provisions or exclusions will be found after the Coverage Forms. The form numbers will also appear on the Declarations.
Common Policy Conditions and Respective Coverage Conditions	Any conditions which apply to a specific coverage and found in that coverage's section of the Coverage Form. In addition, the Common Policy Conditions, which apply to the entire policy, except where noted, appear at the end of the Coverage Form. You and we are subject to all these conditions.

This quick reference is not part of the Contractors Policy and does not provide coverage. Please read the Contractors Policy itself for actual contractual provisions.

In witness whereof, the Company designated on the Declaration page has caused this policy to be signed by its president and secretary, but this policy shall not be valid unless completed by the attachment hereto of a Declaration page and countersigned on the aforesaid Declaration page by a duly authorized representative of the company.



President, General Casualty Insurance Companies



Secretary, General Casualty Insurance Companies

Regent Insurance Company

One General Drive
Sun Prairie, WI 53596
Telephone 608-837-4440

Contractors Policy

Insured Name
Address 1
Address 2
City State Zip Code

Your Independent Agent is:

Agent Name
Address1
City State Zip Code
Phone number: (XXX) XXX-XXX

Our Regional Office:

Address 1
City State Zip Code
Phone Number:
Fax Number:

Contractors Policy Quick Reference

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

Policy Period	This policy period begins at 12:01 a.m. standard time at the named insured's mailing address on the date shown in the Declarations.
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This Contractors Policy consists of several items as described below:

Declaration Pages	The Declarations list the named insured, policy period, the coverages provided and the limits of insurance. They also show the forms and endorsements that apply to this policy.
Coverage Forms	The Coverage Forms describe the nature and extent of coverage provided. They also include any conditions that apply specifically to the Coverage Forms.
Additional Provisions or Exclusions	This policy may be modified by additional provisions or exclusions. When this happens, the forms which contain those provisions or exclusions will be found after the Coverage Forms. The form numbers will also appear on the Declarations.
Common Policy Conditions and Respective Coverage Conditions	Any conditions which apply to a specific coverage and found in that coverage's section of the Coverage Form. In addition, the Common Policy Conditions, which apply to the entire policy, except where noted, appear at the end of the Coverage Form. You and we are subject to all these conditions.

This quick reference is not part of the Contractors Policy and does not provide coverage. Please read the Contractors Policy itself for actual contractual provisions.

In witness whereof, the Company designated on the Declaration page has caused this policy to be signed by its president and secretary, but this policy shall not be valid unless completed by the attachment hereto of a Declaration page and countersigned on the aforesaid Declaration page by a duly authorized representative of the company.



President, General Casualty Insurance Companies



Secretary, General Casualty Insurance Companies

POLICY NUMBER	POLICY PERIOD	COVERAGE IS PROVIDED IN THE	AGENCY
NAMED INSURED AND ADDRESS		AGENT	

SUBJECT TO ALL THIS POLICY'S TERMS, COVERAGE APPLIES ONLY WHEN INDICATED BY AN (X) OR A SPECIFIC LIMIT OF INS ON THIS OR ANY OTHER ATTACHED DECLARATIONS.

THE NAME INSURED IS:

COVERAGE	LIMIT OF INS
INSTALLATION AND AT ANY ONE JOBSITE OR ANY OTHER LOCATION > \$	
CONSTRUCTION COVERAGE DEDUCTIBLE: \$250 WHILE IN TRANSIT > \$	
CONTRACTORS EQUIPMENT — AS PER SCHEDULE ATTACHED	\$
COVERAGE APPLIES ON A @@@@ BASIS. DEDUCTIBLE: \$	
THESE COVERAGES APPLY ONLY IF BUILDING AND/OR BUSINESS PERSONAL PROPERTY IS WRITTEN	
BUSINESS INCOME & EXTRA EXPENSE (ACTUAL BUSINESS LOSS SUSTAINED, NOT EXCEEDING 12 CONSECUTIVE MONTHS)	
MONEY & SECURITIES ON PREMISES	\$ 10,000
OFF PREMISES	\$

GENERAL AGGREGATE LIMIT	----->	\$
(OTHER THAN PRODUCTS-COMPLETED OPERATIONS)		
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	----->	\$
PERSONAL AND ADVERTISING INJURY LIMIT	----->	\$
EACH OCCURRENCE LIMIT	----->	\$
DAMAGE TO PREMISES RENTED TO YOU	----->	\$
MEDICAL EXPENSE LIMIT (ANY ONE PERSON)	----->	\$
PROPERTY DAMAGE PER CLAIM DEDUCTIBLE	----->	\$
SUPPLEMENTAL PROPERTY DAMAGE EACH OCCURRENCE LIMIT >	\$	5,000
PER CLAIM DED: \$250 SUPPLEMENTAL PROPERTY DAMAGE AGGREGATE >	\$	25,000
TOTAL ANNUAL PREMIUM FOR THIS POLICY:		\$

POLICY NUMBER	POLICY PERIOD	COVERAGE IS PROVIDED IN THE		AGENCY
NAMED INSURED AND ADDRESS			AGENT	

PROPERTY COVERAGE SCHEDULE OF PREMISES

COVERAGE BASIS FOR ALL BUILDINGS: () ACV () REPLACEMENT COST
 COVERAGE BASIS FOR ALL BUSINESS PERS. PROP.: () ACV () REPLACEMENT COST
 BUILDING LIMIT – AUTOMATIC INCREASE APPLICABLE TO ALL BUILDINGS:
 PROPERTY DEDUCTIBLE:

SCHEDULE

LOC. NO. 001
 BLDG. NO 01
 OCCUPANCY:

COVERAGE	LIMIT OF INSURANCE
BUILDING(S)	\$
BUSINESS PERSONAL PROPERTY	\$
() ACCOUNTS RECEIVABLE	\$
() BUILDING ORDINANCE	(**)
() EQUIPMENT BREAKDOWN (+)	(**)
() DETACHED OUTDOOR SIGNS	\$
() MINICOMPUTER	\$
() VALUABLE PAPERS	\$
() WATER BACK UP OF SEWERS OR DRAINS	\$

(**) INCLUDED IN THE BUILDING OR BUSINESS PERSONAL PROPERTY LIMIT OF INSURANCE
 (+) MUST BE PURCHASED SEPARATELY FOR EACH LOCATION.

POLICY NUMBER	POLICY PERIOD	COVERAGE IS PROVIDED IN THE		AGENCY
NAMED INSURED AND ADDRESS			AGENT	

COVERAGE OPTIONS

THESE COVERAGE OPTIONS APPLY ONLY WHEN AND AS INDICATED BY AN (X) BELOW:

COVERAGE			LIMIT OF INSURANCE
()	BLANKET PROPERTY		(**)
()	CONTRACTORS EQUIPMENT	PER DAY PER ITEM	\$500
	RENTAL REIMBURSEMENT OPTION	AGGREGATE	\$15,000
()	EMPLOYEE BENEFIT LIABILITY COVERAGE	PER CLAIM	\$
	PER CLAIM DEDUCTIBLE IS \$500	AGGREGATE	\$
()	EMPLOYEE DISHONESTY		\$
()	EMPLOYERS LIABILITY COVERAGE		
	() LIMITED COVERAGE		
	() ENHANCED COVERAGE		
	EMPLOYERS' LIABILITY AGGREGATE LIMIT		\$
	BODILY INJURY BY ACCIDENT — EACH ACCIDENT		\$
	BODILY INJURY BY DISEASE — POLICY LIMIT		\$
	BODILY INJURY BY DISEASE — EACH EMPLOYEE		\$
	*** THIS IS A CLAIMS MADE COVERAGE ***		
()	CONTRACTORS ERRORS AND OMISSIONS	PER CLAIM	\$
		AGGREGATE	\$
()	HIRED CONTRACTORS EQUIPMENT		\$
()	EMPLOYMENT-RELATED PRACTICES LIABILITY	PER CLAIM	\$
	PER CLAIM DEDUCTIBLE: \$	AGGREGATE	\$
	RETROACTIVE DATE:		
	EMPLOYMENT-RELATED PRACTICES LIABILITY IS A CLAIMS-MADE COVERAGE. "DEFENSE COSTS" REDUCE THE AVAILABILITY OF INSURANCE FOR THIS COVERAGE. PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.		

(**) INCLUDED IN THE BUILDING OR BUSINESS PERSONAL PROPERTY LIMIT OF INSURANCE

POLICY NUMBER	POLICY PERIOD		COVERAGE IS PROVIDED IN THE	AGENCY
NAMED INSURED AND ADDRESS			AGENT	

COVERAGE OPTIONS (CONTINUED)

THESE COVERAGE OPTIONS APPLY ONLY WHEN AND AS INDICATED BY AN (X) BELOW:

COVERAGE			LIMIT OF INSURANCE
() LIMITED POLLUTION — WORK SITES	EACH INCIDENT		\$
	AGGREGATE		\$
() PESTICIDE/HERBICIDE APPLICATION	PER CLAIM		\$
	AGGREGATE		\$

POLICY NUMBER	POLICY PERIOD	COVERAGE IS PROVIDED IN THE		AGENCY
NAMED INSURED AND ADDRESS			AGENT	

SUPPLEMENTAL SCHEDULE OF PREMISES

LOC. NO.
BLDG. NO
OCCUPANCY:

COVERAGE	LIMIT OF INSURANCE
BUILDING(S)	\$
BUSINESS PERSONAL PROPERTY	\$
() ACCOUNTS RECEIVABLE	\$
() BUILDING ORDINANCE	(**)
() DETACHED OUTDOOR SIGNS	\$
() EQUIPMENT BREAKDOWN (+)	(**)
() MINICOMPUTER	\$
() VALUABLE PAPERS AND RECORDS	\$
() WATER BACK UP OF SEWERS OR DRAINS	\$

LOC. NO.
BLDG. NO
OCCUPANCY:

BUILDING(S)	\$
BUSINESS PERSONAL PROPERTY	\$
() ACCOUNTS RECEIVABLE	\$
() BUILDING ORDINANCE	(**)
() DETACHED OUTDOOR SIGNS	\$
() EQUIPMENT BREAKDOWN (+)	(**)
() MINICOMPUTER	\$
() VALUABLE PAPERS AND RECORDS	\$
() WATER BACK UP OF SEWERS OR DRAINS	\$

(+) MUST BE PURCHASED SEPARATELY FOR EACH LOCATION

(**) INCLUDED IN THE BUILDING OR BUSINESS PERSONAL PROPERTY LIMIT OF INSURANCE

POLICY NUMBER	POLICY PERIOD	COVERAGE IS PROVIDED IN THE	AGENCY
NAMED INSURED AND ADDRESS		AGENT	

CONTRACTORS EQUIPMENT SCHEDULE

COVERAGE APPLIES ONLY AS AND WHEN INDICATED BY A SPECIFIC AMOUNT OF INSURANCE.

ITEM NO.	MODEL YEAR	DESCRIPTION (TYPE, MFR., MODEL, ETC.)	IDENTIFICATION OR SERIAL NO.	YR OF PURCH	N/ U	AMOUNT OF INSURANCE
0001	N/A	BLANKET EQUIPMENT, NO ONE ITEM VALUED OVER \$1,000.	N/A	N/A	N/A	\$

CONTRACTORS POLICY

General Casualty

One General Drive

Sun Prairie, Wisconsin 53596

Telephone (608) 837-4440

Fax (608) 837-0583

 **GENERAL CASUALTY**

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CONTRACTORS POLICY COVERAGES

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

CONTRACTORS SPECIAL PROPERTY COVERAGE

Words and phrases that appear in quotation marks have special meaning. Refer to section **H — PROPERTY DEFINITIONS**.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this policy, means the type of property as described in this section, **A.1.**, and limited in **A.2.**, **Property Not Covered**, if a Limit of Insurance is shown in the Declarations for that type of property.

a. Buildings, meaning the buildings and structures at the premises described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Your personal property in apartments or rooms furnished by you as landlord;
- (5) Personal property owned by you that is used to maintain or service the buildings or structures or the premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (6) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the buildings or structures;

(b) Materials, equipment, supplies and temporary structures, on or within 1,000 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.

(7) Attached Signs;

(8) Outdoor Fences;

(9) Lightpoles.

b. Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 1,000 feet of the described premises, including:

(1) Property you own that is used in your business;

(2) Property of others that is in your care, custody or control, except as otherwise provided in the Loss Payment Property Loss Condition **E.6.d.(3)(b)**;

(3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

(a) Made a part of the building or structure you occupy but do not own; and

(b) You acquired or made at your expense but cannot legally remove; and

(4) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under paragraph **A.1.b.(2)**.

2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b. "Money" or "securities" except as provided in the Money and Securities Additional Coverage;
- c. Contraband, or property in the course of illegal transportation or trade;
- d. Land (including land on which the property is located), water, growing crops or lawns;
- e. Signs (other than signs attached to buildings), trees, shrubs or plants, except as provided in the Detached Outdoor Signs Coverage Extension or the Outdoor Property Coverage Extension;
- f. Watercraft (including motors, equipment and accessories) while afloat;
- g. Animals and pets;
- h. Property that is specifically covered under:
 - (1) Contractors Equipment Coverage;
 - (2) Installation and Construction Coverage; or
 - (3) Minicomputer Coverage.

3. Covered Causes of Loss

Covered Causes of Loss mean Risks of Direct Physical Loss unless the loss is:

- a. Excluded in section B., **EXCLUSIONS**; or
- b. Limited in paragraph A.4. **Limitations**, that follow.

4. Limitations

- a. We will not pay for loss of or damage to:
 - (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass;
 - (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion;

- (3) Property that is missing, but there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory. This limitation does not apply to the Money and Securities Additional Coverage; or
- (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

- b. We will not pay for loss of or damage to fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken, unless caused by the "specified causes of loss" or building glass breakage. This restriction does not apply to:

- (1) Glass that is part of the interior or exterior of a building or structure;
- (2) Containers of property held for sale; or
- (3) Photographic or scientific instrument lenses.

- c. For loss or damage by theft, the following types of property are covered only up to the limits shown:

- (1) \$2,500 for furs, fur garments and garments trimmed with fur.
- (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- (3) \$2,500 for patterns, dies, molds and forms.

5. Additional Coverages

a. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:
 - (a) The date of direct physical loss or damage; or
 - (b) The end of the policy period.
- (2) The most we will pay under this Additional Coverage is 25% of:
 - (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus

- (b) The deductible in this policy applicable to that loss or damage.
But this limitation does not apply to any additional debris removal limit provided in paragraph (4) below.
- (3) This Additional Coverage does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (4) If:
 - (a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
 - (b) The debris removal expense exceeds the amount payable under the 25% Debris Removal Coverage limitation in paragraph (2) above;

we will pay up to an additional \$10,000 for each location in any one occurrence under the Debris Removal Additional Coverage.
- b. Preservation of Property**

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss of or damage to that property:

 - (1) While it is being moved or while temporarily stored at another location; and
 - (2) Only if the loss or damage occurs within 30 days after the property is first moved.
- c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

 - (1) Assumed by contract or agreement prior to loss; or
 - (2) Required by local ordinance.
- d. Collapse**
 - (1) We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building insured under this policy, if the collapse is caused by one or more of the following:
 - (a) The "specified cause of loss" or breakage of building glass, all only as insured against in this policy;
 - (b) Hidden decay;
 - (c) Hidden insect or vermin damage;
 - (d) Weight of people or personal property;
 - (e) Weight of rain that collects on a roof;
 - (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in **d.(1)(a)** through **d.(1)(e)**, we will pay for the loss or damage even if use of defective material or methods in construction, remodeling or renovation, contributes to the collapse.
 - (2) If the direct physical loss or damage does not involve collapse of a building or any part of a building, we will pay for loss or damage to Covered Property caused by the collapse of personal property only if:
 - (a) The personal property which collapses is inside a building insured under this policy; and
 - (b) The collapse was caused by a cause of loss listed in **d.(1)(a)** through **d.(1)(f)** above.
 - (3) With respect to the following property:
 - (a) Awnings;
 - (b) Gutters and downspouts;
 - (c) Yard fixtures;
 - (d) Outdoor swimming pools;
 - (e) Piers, wharves and docks;
 - (f) Beach or diving platforms or appurtenances;
 - (g) Retaining walls; and

(h) Walks, roadways and other paved surfaces;

if the collapse is caused by a cause of loss listed in **d.(1)(b)** through **d.(1)(f)**, we will pay for loss or damage to that property only if such loss or damage is a direct result of the collapse of a building insured under this policy and the property is Covered Property under this policy.

- (4) Collapse does not include settling, cracking, shrinkage, bulging or expansion.

e. Water Damage, Other Liquids, Powder or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect that caused the loss or damage; but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- (1) Results in discharge of any substance from an automatic fire protection system; or
(2) Is directly caused by freezing.

f. Business Income

(1) Business Income

We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
(b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage.

Business Income means the:

- (i) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
(ii) Continuing normal operating expenses incurred, including payroll; and
(iii) "Rental Value".

(2) Extended Business Income

If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property, except finished stock, is actually repaired, rebuilt or replaced and "operations" are resumed; and
(b) Ends on the earlier of:
(i) The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or

- (ii) 60 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

This Additional Coverage is not subject to the Limits of Insurance.

g. Extra Expense

- (1) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

- (2) Extra Expense means expense incurred:

- (a) To avoid or minimize the suspension of business and to continue "operations":
 - (i) At the described premises; or

- (ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.

- (b) To minimize the suspension of business if you cannot continue "operations".

- (c) To:

- (i) Repair or replace any property; or
- (ii) Research, replace or restore the lost information on damaged "valuable papers and records":

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage f. Business Income.

We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance.

h. Pollutant Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

The most we will pay for each location under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

i. Civil Authority

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income will begin 24 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for necessary Extra Expense will begin immediately after the time of that action and ends:

- (1) 3 consecutive weeks after the time of that action; or
 - (2) When your Business Income coverage ends;
- whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance.

j. Money Orders and Counterfeit Paper Currency

We will pay for loss due to the good faith acceptance of:

- (1) Any U.S. or Canadian post office, express company, or national or state (or Canadian) chartered bank money order that is not paid upon presentation to the issuer; or
- (2) Counterfeit United States or Canadian paper currency;

in exchange for merchandise, "money" or services or as part of a normal business transaction.

The most we will pay for any loss under this Additional Coverage is \$1,000.

k. Forgery and Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.

- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$2,500.

l. Money and Securities

- (1) We will pay for loss of "money" and "securities" by the actual destruction, disappearance or wrongful abstraction from;
 - (a) Any location described in the Declarations;
 - (b) Any bank premises;
 - (c) Outside your premises while being conveyed by a "messenger"; or
 - (d) Within the living quarters of any "messenger".
- (2) In addition to the exclusions and limitations applicable to commercial property coverage, we will not pay for loss:
 - (a) Resulting from accounting or arithmetical errors or omissions;
 - (b) Resulting from the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any money operated device unless the amount of money deposited in it is recorded by a continuous recording instrument in the device.
- (3) The most we will pay for loss to money and securities:
 - (a) At any location described in the Declarations; or
 - (b) At any bank premises;is the limit shown on the Declarations for Money and Securities on Premises.
- (4) The most we will pay for loss to money and securities:
 - (a) Outside your premises while being conveyed by a "messenger"; or

- (b) Within the living quarters of any “messenger”;

is the limit shown on the Declarations for Money and Securities Off Premises.

- (5) You must keep records of all money and securities so we can verify the amount of any loss.

m. Arson Reward

We will pay up to \$5,000 for information which leads to an arson conviction in connection with a fire loss covered under this policy. Regardless of the number of persons involved in providing information, our liability under this Additional Coverage shall not be increased.

6. Coverage Extensions

In addition to the Limits of Insurance, you may extend the insurance provided by this policy as provided below.

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

a. Newly Acquired or Constructed Property

- (1) You may extend the insurance that applies to Buildings to apply to:
 - (a) Your new buildings while being built on the described premises; and
 - (b) Buildings you acquire at locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$500,000 at each building.

- (2) You may extend the insurance that applies to Business Personal Property to apply to that property at any location you acquire.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.
- (3) Insurance under this Extension for each newly acquired or constructed property will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire or begin construction at the new premises; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date construction begins or you acquire the property.

b. Business Personal Property Off Premises

- (1) You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than “money” and “securities”, “valuable papers and records” or accounts receivable, while it is in the course of transit or temporarily at a premises you do not own, lease or operate.
- (2) This extension does not apply to tools, equipment or building materials.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

c. Outdoor Property

You may extend the insurance provided by this policy to apply to trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Windstorm or hail, but not including:
 - (a) Frost or cold weather;
 - (b) Ice (other than hail), snow or sleet, whether driven by wind or not;
 - (c) Loss to property inside the building caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.
- (5) Aircraft or vehicles, meaning only physical contact of an aircraft, a spacecraft, a self propelled missile, a vehicle or an object thrown up by a vehicle with the Covered Property. This cause of loss includes loss or damage by falling objects from aircraft.

We will not pay for loss or damage caused by or resulting from vehicles you own or which are operated in the course of your business;

- (6) Riot or civil commotion;
- (7) Vandalism, meaning willful and malicious damage to, or destruction of Covered Property; or
- (8) Theft.

The most we will pay for loss or damage under this Extension is \$2,500, but not more than \$500 for any one tree, shrub or plant.

d. Personal Effects and Property of Others

You may extend the insurance that applies to Business Personal Property to apply to:

- (1) Personal effects owned by you, your officers, your partners or your employees; or
- (2) Personal property of others in your care, custody or control.

This Coverage Extension does not apply to tools, equipment or building materials used in your business.

The most we will pay for loss or damage under this Extension is \$5,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

e. Valuable Papers and Records

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to re-search lost information on "valuable papers and records" for which duplicates do not exist.
- (2) This Coverage Extension does not apply to:
 - (a) Property held as samples or for delivery after sale; or
 - (b) Property in storage away from the premises shown in the Declarations.

- (3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$5,000.

For "valuable papers and records" not at the described premises, the most we will pay is \$2,500.

- (4) If an increased limit of insurance is purchased, the above \$5,000 Limit of Insurance is replaced by the Valuable Papers and Records Limit of Insurance shown in the Declarations.

- (5) Section B., **EXCLUSIONS** of this Coverage Form does not apply to this Coverage Extension except for:

- (a) Paragraph B.1.c., **Governmental Action**;
- (b) Paragraph B.1.d., **Nuclear Hazard**;
- (c) Paragraph B.1.f., **War And Military Action**;
- (d) Paragraph B.2.f., **Dishonesty**;
- (e) Paragraph B.2.g., **False Pretense**;
- (f) Paragraph B.3.; and
- (g) The **Accounts Receivable and "Valuable Papers And Records" Exclusions**.

f. Accounts Receivable

- (1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:
 - (a) All amounts due from your customers that you are unable to collect;
 - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
 - (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable;that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

- (2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$5,000.

For accounts receivable not at the described premises, the most we will pay is \$2,500.

- (3) If an increased limit of insurance is purchased, the above \$5,000 Limit of Insurance is replaced by the Accounts Receivable Limit of Insurance shown in the Declarations
- (4) Section B., **EXCLUSIONS** of this Coverage Form does not apply to this Coverage Extension except for:
- (a) Paragraph B.1.c., **Governmental Action**;
 - (b) Paragraph B.1.d., **Nuclear Hazard**;
 - (c) Paragraph B.1.f., **War And Military Action**;
 - (d) Paragraph B.2.f., **Dishonesty**;
 - (e) Paragraph B.2.g., **False Pretense**;
 - (f) Paragraph B.3.; and
 - (g) **The Accounts Receivable and "Valuable Papers And Records" Exclusions.**

g. Building Glass

- (1) If building coverage is written or you are a tenant and are contractually required to repair or replace building glass, we will pay for direct physical loss to all building glass, including all lettering and ornamentation, located at the described premises.
- (2) We will also pay for:
- (a) Expenses incurred to put up temporary plates or board up openings;
 - (b) Repair or replacement of encasing frames; and
 - (c) Expenses incurred to remove or replace obstructions.
- (3) Section B., **EXCLUSIONS** do not apply to this Coverage Extension, except for:
- (a) Paragraph B.1.b., **Earth Movement**;
 - (b) Paragraph B.1.c., **Governmental Action**;
 - (c) Paragraph B.1.d., **Nuclear Hazard**;

(d) Paragraph B.1.f., **War And Military Action**; and

(e) Paragraph B.1.g., **Water**.

- (4) We will not pay for loss or damage caused by or resulting from:

- (a) Wear and tear;
- (b) Hidden or latent defect;
- (c) Corrosion; or
- (d) Rust.

h. Building Property Off Premises

You may extend the insurance that applies to Buildings to cover loss or damage to Covered Property while the Covered Property is removed from the described premises.

The most we will pay under this Coverage Extension is \$5,000 in any one occurrence.

i. Recharging

You may extend the insurance provided by this policy to apply to expenses you incur for the recharging of fire extinguishers or fire extinguishing systems when used to fight a fire on your premises or adjacent premises.

The most we will pay under this Coverage Extension is \$1,000 in any one occurrence.

j. Detached Outdoor Signs

You may extend the insurance provided by this policy to cover loss or damage to your detached outdoor signs permanently fixed in place as a result of a Covered Cause of Loss.

The most we will pay under this Coverage Extension is \$5,000.

If an increased limit of insurance is purchased, the above \$5,000 Limit of Insurance is replaced by the Detached Outdoor Signs Limit of Insurance shown in the Declarations.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or

- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.
- (2) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust, or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if Water, as described in **B.1.g.(1)** through **B.1.g.(4)**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Electrical Apparatus

Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by fire.

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

Smoke, vapor or gas from agricultural smudging or industrial operations.

d. Steam Apparatus

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

e. Frozen Plumbing

Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

f. Dishonesty

Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others; or
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

g. False Pretense

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

h. Exposed Property

Rain, snow, ice or sleet to personal property in the open.

i. Collapse

Collapse, except as provided in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

j. Pollution

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

k. Other Types Of Loss

- (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force; or

(7) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

But if an excluded cause of loss that is listed in **B.2.k.(1)** through **B.2.k.(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

3. We will not pay for loss or damage caused by or resulting from any of the following **B.3.a.** through **B.3.c.** But if an excluded cause of loss that is listed in **B.3.a.** through **B.3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather Conditions

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.

b. Acts or Decisions

Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Negligent Work

Faulty, inadequate or defective:

(1) Planning, zoning, development, surveying, siting;

(2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(3) Materials used in repair, construction, renovation or remodeling; or

(4) Maintenance;

of part or all of any property on or off the described premises.

4. Business Income and Extra Expense Exclusions

We will not pay for:

a. Any Extra Expense, or increase of Business Income loss, caused by or resulting from:

(1) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

(2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration".

b. Any other consequential loss.

5. Accounts Receivable and "Valuable Papers and Records" Exclusions

The following additional exclusions apply to the Accounts Receivable and "Valuable Papers and Records" Coverage Extensions:

a. We will not pay for loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

(1) Programming errors or faulty machine instructions;

(2) Faulty installation or maintenance of data processing equipment or component parts;

But we will pay for direct loss or damage caused by lightning.

b. Applicable to "Valuable Papers and Records" only:

We will not pay for loss or damage caused by or resulting from any of the following:

(1) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by the fire or explosion; or

(2) Wear and tear, gradual deterioration or latent defect.

c. Applicable to Accounts Receivable only:

We will not pay for:

(1) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- (2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- (3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

C. LIMITS OF INSURANCE

- 1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
- 2. The limits applicable to the Coverage Extensions and the Fire Department Service Charge, Pollutant Clean Up and Removal and Arson Reward Additional Coverages are in addition to the Limits of Insurance.
- 3. **Building Limit — Automatic Increase**
 - a. The Limit of Insurance for Buildings will automatically increase by the annual percentage shown in the Declarations.
 - b. The amount of increase will be:
 - (1) The Building Limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building Limit, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 4% is .04), times
 - (3) The number of days since the beginning of the current policy year of the effective date of the most recent policy change amending the Building Limit, divided by 365.

Example:

If: The applicable Building limit is \$100,000. The annual percentage increase is 4%. The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is:

$$\$100,000 \times .04 \times 146 \div 365 = \$1,600.$$

- 4. **Business Personal Property Limit — Seasonal Increase**
 - a. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.

- b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 80% of your average monthly values during the lesser of:

- (1) The 12 months immediately preceding the date the loss or damage occurs; or
- (2) The period of time you have been in business as of the date the loss or damage occurs.

D. DEDUCTIBLES

- 1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
- 2. Regardless of the amount of the Deductible shown in the Declarations, the most we will deduct from any loss or damage under all of the following Optional Coverages and the Money and Securities and Building Glass Additional Coverages in any one occurrence is \$250:
 - a. Employee Dishonesty;
 - b. Outdoor Property;
 - c. Detached Outdoor Signs;But this Optional Coverage Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.
- 3. No deductible applies to the following Additional Coverages:
 - a. Fire Department Service Charge;
 - b. Business Income;
 - c. Extra Expense; and
 - d. Civil Authority.

E. PROPERTY LOSS CONDITIONS

- 1. **Abandonment**

There can be no abandonment of any property to us.
- 2. **Appraisal**

If you and we disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will

state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties in the Event of Loss or Damage

- a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- (8) Cooperate with us in the investigation or settlement of the claim.

- (9) Resume all or part of your "operations" as quickly as possible.

- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as maybe reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

5. Limitation — Electronic Media and Records

We will not pay for any loss of Business Income caused by direct physical loss of or damage to Electronic Media and Records after the longer of:

- a. 60 consecutive days from the date of direct physical loss or damage; or
- b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
- (2) Data stored on such media; or
- (3) Programming records used for electronic data processing or electronically controlled equipment.

Example No. 1:

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 – September 1. Loss during the period September 2 – October 1 is not covered.

Example No. 2:

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 – September 29 (60 consecutive days). Loss during the period September 30 – October 15 is not covered.

6. Loss Payment

In the event of loss or damage covered by this policy:

- a. We will not pay you more than your financial interest in the Covered Property.
- b. We will either:
 - (1) Pay the value of lost or damaged property, as described in paragraph **d.** below;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, plus any reduction in value of repaired items;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality.
- c. We will give notice of our intentions within 30 days after we receive the sworn statement of loss.
- d. We will determine the value of Covered Property as follows:
 - (1) If Replacement Cost is designated in the Declarations for Buildings or Business Personal Property, loss shall be adjusted on the replacement cost value of the property, except as provided in **(3)** through **(8)** below.
 - (a) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
 - (b) We will not pay on a replacement cost basis for any loss or damage:

- (i) Until the lost or damaged property is actually repaired or replaced; and
 - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- (c) We will not pay more for loss or damage on a replacement cost basis than the least of:
 - (i) The cost to replace, on the same premises, the lost or damaged property with other property:
 - i. Of comparable material and quality; and
 - ii. Used for the same purpose; or
 - (ii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.
- (d) Tenants Improvements and Betterments at:
 - (i) Replacement Cost if you make repairs promptly.
 - (ii) A portion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - i. Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - ii. Divide the amount determined in **i.** above by the days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (iii) Nothing if others pay for repairs or replacement.

(2) If Actual Cash Value is designated in the Declarations for Buildings or Business Personal Property, loss shall be adjusted on the actual cash value as of the time of loss or damage except as provided in **(3)** through **(8)** below.

(a) When the full cost to repair or replace loss or damage to buildings is \$1,000 or less, we will pay the cost of building repairs or replacement.

(b) Tenants' Improvements and Betterments at:

(i) Actual Cash Value if you make repairs promptly.

(ii) A portion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

i. Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

ii. Divide the amount determined in **i.** above by the days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(iii) Nothing if others pay for repairs or replacement.

(3) The following property at actual cash value:

(a) Used or second-hand merchandise held in storage or for sale;

(b) Property of others, but this property is not covered for more than the amount for which you are liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others;

(c) Household contents, except personal property in apartments or rooms furnished by you as a landlord;

(d) Manuscripts;

(e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.

(4) Glass at the cost of replacement with safety glazing material if required by law.

(5) Stock you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

(6) "Valuable Papers and Records", including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:

(a) Blank materials for reproducing the records; and

(b) Labor to transcribe or copy the records.

This condition does not apply to "Valuable Papers and Records" that are actually replaced or restored.

(7) As applies to the Money and Securities Additional Coverage:

(a) Money at its face value; and

(b) Securities at their value at the close of business on the day the loss is discovered.

(8) Applicable only to Accounts Receivable:

(a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:

(i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and

(ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

- (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (i) The amount of the accounts for which there is no loss or damage;
 - (ii) The amount of the accounts that you are able to re-establish or collect;
- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.

7. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

8. Resumption of Operations

We will reduce the amount of your:

- a. Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

9. Vacancy

a. Description of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (1)(a) and (1)(b) below:
 - (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
 - (b) When this policy is issued to the owner of a building, building means the entire building. Such building is vacant when 70% or more of its total square footage:
 - (i) Is not rented; or
 - (ii) Is not used to conduct customary operations.
- (2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (a) Vandalism;
 - (b) Sprinkler leakage, unless you have protected the system against freezing;
 - (c) Building glass breakage;
 - (d) Water damage;
 - (e) Theft; or
 - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in b.(1)(a) through b.(1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

F. PROPERTY GENERAL CONDITIONS

1. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

2. Mortgageholders

- a. The term "mortgageholder" includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this policy at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this policy will then apply directly to the mortgageholder.

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:
 - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

3. No Benefit to Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

4. Policy Period, Coverage Territory

Under this form:

- a. We cover loss or damage commencing:
 - (1) During the policy period shown in the Declarations; and
 - (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.
- b. The coverage territory is:
 - (1) The United States of America (including its territories and possessions);
 - (2) Puerto Rico; and
 - (3) Canada.

G. OPTIONAL COVERAGES

If shown as applicable in the Declarations, the following Optional Coverages also apply. These coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below.

1. Employee Dishonesty

- a. We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
 - (1) Cause you to sustain loss or damage; and also
 - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any employee; or
 - (b) Any other person or organization.

- b. We will not pay for loss or damage:
 - (1) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.
 - (2) The only proof of which as to its existence or amount is:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.
- c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.
- d. All loss or damage:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;
 is considered one occurrence.
- e. We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- f. This Optional Coverage does not apply to any employee immediately upon discovery by:
 - (1) You; or
 - (2) Any of your partners, officers or directors not in collusion with the employee;
 of any dishonest act committed by that employee before or after being hired by you.
- g. We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.
- h. If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:
 - (1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- i. The insurance under paragraph h. above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:
 - (1) This Optional Coverage as of its effective date; or
 - (2) The prior insurance had it remained in effect.
- j. The following provisions apply to this Optional Coverage:
 - (1) The term employee as used under this Employee Dishonesty Coverage includes any natural person who is:
 - (a) A trustee, an officer, employee, administrator or manager who is an independent contractor, of any Employee Welfare or Pension Benefit Plan (hereafter called Plan) insured under this insurance, and
 - (b) Your director or trustee while that person is handling funds or other property of any Plan insured under this insurance.
 - (2) If any plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for Employee Dishonesty that is sufficient to provide an amount of insurance for each plan that is at least equal to that required if each plan were insured jointly.
 - (3) If the Insured first named in the Declarations is an entity other than a Plan, any payment we make to that insured for loss sustained by the Plan will be held by that insured for the use and benefit of the Plan(s) sustaining the loss.
 - (4) If two or more Plans are insured under this insurance, any payment we make for loss:
 - (a) Sustained by two or more Plans; or
 - (b) Of commingled funds or other property of two or more Plans

that arises out of one occurrence, is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each Plan under ERISA provisions bears to the total of those amounts.

- (5) The Deductible provision of this policy does not apply to loss sustained by any Plan subject to ERISA which is insured under this insurance.

2. Equipment Breakdown

a. Coverage

Subject to all other provisions of the Contractors Special Property Coverage form which do not conflict with any of the provisions of this Coverage, we will pay for loss caused by or resulting from an "accident" to "covered equipment".

- (1) "Covered equipment" means Covered Property built to operate under vacuum or pressure, other than weight of contents, or used for the generation, transmission or utilization of energy.
- (2) "Covered equipment" does not include:
- (a) Structure, foundation, cabinet, compartment or air supported structure or building;
 - (b) Insulating or refractory material;
 - (c) Sewer piping, underground vessels or piping, or piping forming a part of a sprinkler system;
 - (d) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (e) Vehicle, dragline, excavation or construction equipment; or
 - (f) Equipment manufactured by you for sale.
- (3) "Accident" means direct physical loss from:
- (a) Mechanical breakdown, including rupture or bursting caused by centrifugal force;

- (b) Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires;
- (c) Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- (d) Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- (e) Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

If an initial "accident" causes other "accidents", all will be considered one "accident". All "accidents" that are the result of the same event will be considered one "accident".

- (4) All of **A.4., Limitations** in the Contractors Special Property Coverage form apply to this coverage except:

- (a) **Limitation A.4.a.(1)**; and
- (b) **Limitation A.4.a.(2)**.

- (5) The following additional coverages also apply to loss caused or resulting from an "accident" to "covered equipment". These coverages do not provide additional amounts of insurance.

(a) Expediting Expenses

With respect to your damaged Covered Property, we will pay up to \$25,000 for the reasonable extra cost to:

- (i) Make temporary repairs; and
- (ii) Expedite permanent repairs or replacement.

(b) Hazardous Substances

We will pay for the “additional cost” to repair or replace Covered Property because of contamination by a “hazardous substance”. This includes the additional expenses to clean up or dispose of such property. The most we will pay for loss or damage under this coverage, including actual loss of business income you sustain, necessary extra expense you incur and loss under perishable goods coverage is \$25,000.

“Hazardous substance” means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.

“Additional costs” mean those beyond what would have been required had no “hazardous substance” been involved.

(c) Perishable Goods

- (i)** We will pay up to \$25,000 for loss to “perishable goods” due to:
 - i.** Spoilage; or
 - ii.** Contamination from the release of refrigerant, including but not limited to ammonia.
- (ii)** We will also pay any necessary expenses you incur to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- (iii)** If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “accident”, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Loss Payment condition.

- (iv)** “Perishable Goods” means personal property maintained under controlled conditions for its preservation and susceptible to loss or damage if the controlled conditions change.

(d) Computer Equipment

We will pay for loss or damage caused by or resulting from an “accident” to “computer equipment”. The most we will pay for loss or damage under this additional coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur is \$25,000.

“Computer equipment” means Covered Property that is electronic computer or other data processing equipment, including peripherals used in conjunction with such equipment, and Electronic Media and Records as defined in Property Loss Conditions, Limitation — Electronic Media and Records.

(e) CFC Refrigerants

We will pay for the “additional cost” to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorinated fluorocarbon) substances. This means the additional expense to do the least expensive of the following:

- (i)** Repair the damaged property and replace any lost CFC refrigerant;
- (ii)** Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-refrigerant; or
- (iii)** Replace the system with one using a non-CFC refrigerant.

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain, necessary Extra Expense you incur and loss under Perishable Goods coverage, is \$25,000.

"Additional costs" mean those beyond what would have been required had no CFC refrigerant been involved.

(f) Service Interruption

The insurance provided by Business Income, Extra Expense and Perishable Goods is extended to apply to loss caused by or resulting from an "accident" to equipment that is owned by a utility, landlord, or other supplier with whom you have a contract to provide you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, gas, air, water or steam.

b. Exclusions

(1) All of **B., EXCLUSIONS** in the Contractors Special Property Coverage form apply to this coverage except:

(a) EXCLUSIONS B.2.a.;

(b) EXCLUSIONS B.2.d. ; and

(c) EXCLUSIONS B.2.k.(6).

(2) The following exclusions are modified:

(a) Paragraph **B.1.g.(1)** is deleted and replaced by:

Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

However, if "covered equipment" requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

(b) The last paragraph of exclusion **B.2.k.** is deleted and replaced by:

But if an excluded cause of loss that is listed in **B.2.k.(1)** through **B.2.k.(7)** results in an "accident", we will pay for the loss or damage caused by that "accident".

(3) We will not pay for loss or damage caused by or resulting from:

(a) Your failure to use all reasonable means to protect the "perishable goods" from damage following an "accident";

(b) Any defect, virus, loss of data or other situation within Electronic Media and Records. But if loss or damage from an "accident" results, we will pay for that resulting loss or damage; or

(c) Any of the following tests:

(i) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or

(ii) An insulation breakdown test of any type of electrical equipment.

(4) With respect to Service Interruption coverage and Perishable Goods coverage, we will not pay for loss or damage caused by or resulting from: fire; lightning; windstorm; or hail; explosion (except for steam or centrifugal explosion); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow; ice or sleet; freezing or collapse.

c. Limits of Insurance

As respects to this coverage only, item **C., LIMITS OF INSURANCE** in the Contractors Special Property Coverage form is deleted and replaced by the following:

The most we will pay for loss or damage under this coverage in any one occurrence is the applicable Limit of Insurance for Building and Business Personal Property shown on the Declarations. Coverage provided under this coverage does not provide an additional amount of insurance.

d. Deductible

As respects to this coverage only, item **D., DEDUCTIBLES** in the Contractor Special Property Coverage form is deleted and replaced by the following:

We will not pay for loss or damage from any one "accident" until the amount of loss or damage exceeds the applicable standard Property Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the applicable standard Property Deductible up to the applicable Limit of Insurance.

e. Conditions

The following are added to **E., PROPERTY LOSS CONDITIONS** in the Contractors Special Property Coverage form:

(1) Suspension

When any "covered equipment" is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment". We can do this by mailing or delivering a written notice of suspension to your address as shown in the Declarations, or at the address where the equipment is located. Once suspended in this way, your insurance can be reinstated only by written notice from us. If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

(2) Jurisdictional Inspections

If any property that is "covered property" under this coverage requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.

H. PROPERTY DEFINITIONS

1. "Messenger" means you, any of your partners or any employee while having care and custody of the money and securities outside the described premises.
2. "Money" means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
3. "Operations" means your business activities occurring at the described premises.
4. "Period of restoration" means the period of time that:
 - a. Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and

b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location.

Period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

5. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
6. "Rental Value" means the:
 - a. Total anticipated rental income from tenant occupancy of the premises described in the declarations as furnished and equipped by you, and
 - b. Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations, and
 - c. Fair rental value of any portion of the described premises which is occupied by you.
7. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;but does not include "money".

8. "Specified Causes of Loss" means the following:

Fire; lightning; explosion, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- (1) The cost of filling sinkholes; or
- (2) Sinking or collapse of land into man-made underground cavities.

- b. Falling objects does not include loss of or damage to:

- (1) Personal property in the open; or
- (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

9. "Valuable papers and records" means inscribed, printed, or written:

- a. Documents;
- b. Manuscripts; and
- c. Records;

including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean:

- a. "Money" or "Securities";
- b. Converted Data; or
- c. Programs or instructions used in your data processing operations, including the materials on which the data is recorded.

CONTRACTORS GENERAL LIABILITY COVERAGE

The word “insured” means any person or organization qualifying as such under section **C — WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to section **F — LIABILITY AND MEDICAL EXPENSES DEFINITIONS**.

A. COVERAGES

1. Contractors Liability

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of “bodily injury”, “property damage” or “personal and advertising injury” to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking those damages. However, we will have no duty to defend the insured against any “suit” seeking damages for “bodily injury”, “property damage”, or “personal and advertising injury” to which this insurance does not apply. We may at our discretion, investigate any “occurrence” and settle any claim or “suit” that may result. But:

- (1) The amount we will pay for damages is limited as described in section **D — LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE**; and

- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Coverage Extension — Supplementary Payments.

- b. This insurance applies:

- (1) To “bodily injury” and “property damage” only if:

- (a) The “bodily injury” or “property damage” is caused by an “occurrence” that takes place in the “coverage territory”;

- (b) The “bodily injury” or “property damage” occurs during the policy period; and

- (c) Prior to the policy period, no insured listed under Paragraph 1. of Section **C. WHO IS AN INSURED** and no “employee” authorized by you to give or receive notice of an “occurrence” or claim, knew that the “bodily injury” or “property damage” had occurred, in whole or in part. If such a listed insured or authorized “employee” knew, prior to the policy period, that the “bodily injury” or “property damage” occurred, then any continuation, change or resumption of such “bodily injury” or “property damage” during or after the policy period will be deemed to have been known prior to the policy period.

- (2) To “personal and advertising injury” caused by an offense arising out of your business but only if the offense was committed in the “coverage territory” during the policy period.

- c. “Bodily injury” or “property damage” which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section C — WHO IS AN INSURED** or any “employee” authorized by you to give or receive notice of an “occurrence” or claim, includes any continuation, change or resumption of that “bodily injury” or “property damage” after the end of the policy period.

- d. “Bodily injury” or “property damage” will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **Section C — WHO IS AN INSURED** or any “employee” authorized by you to give or receive notice of an “occurrence” or claim:

- (1) Reports all, or any part, of the “bodily injury” or “property damage” to us or any other insurer;

- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

f. Coverage Extension — Supplementary Payments

In addition to the Limit of Insurance we will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- (1) All expenses we incur.
- (2) Up to \$500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Contractors Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.
- (4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All costs taxed against the insured in the "suit".
- (6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the Limit of Insurance.

2. Medical Expenses

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within three years of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable Limit of Insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

3. Supplemental Property Damage

- a. We will pay, at the request of the insured, for "property damage" to property of others in the insured's care, custody or control. The "property damage" must be caused by an "occurrence", take place during the policy period and result from operations which take place away from the insured's premises and which are a part of your business. That business must be afforded coverage under Contractors Liability Coverage.

- b. In the event of loss, at our request you shall replace the property or furnish the labor and materials necessary for repairs at your actual cost, excluding any profit or overhead charges. Any property so paid for or replaced shall become our property. Payment under this Supplementary Property Damage coverage shall not constitute an admission of liability of the insured or, except for this coverage, us.

B. EXCLUSIONS

1. Applicable to Contractors Liability Coverage

This insurance does not apply to:

a. Expected or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily Injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph (1) above.

This exclusion applies:

- (a) Whether the insured may be liable as an employer or in any other capacity; and
- (b) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 50 feet long; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

(5) "Bodily injury" or "property damage" arising out of:

(a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or

(b) The operation of any of the following machinery or equipment:

(i) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(ii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition or stunting activity.

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer days. A separate limit of insurance applies to Damage To Premises Rented To You as described in section **D — LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE**.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products – completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products – completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal and Advertising Injury

(1) "Personal and advertising injury":

- (a)** Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";
- (b)** Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (c)** Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (d)** Arising out of a criminal act committed by or at the direction of any insured;
- (e)** For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement; or
- (f)** Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (g)** Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (h)** Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (i)** Committed by an insured whose business is:
 - (i)** Advertising, broadcasting, publishing or telecasting;
 - (ii)** Designing or determining content of websites for others; or
 - (iii)** An Internet search, access, content or service provider.

However, this exclusion does not apply to paragraphs **15.a.**, **15.b.** and **15.c.** of "personal and advertising injury" under the Definitions Section;

For purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

- (j)** Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- (k)** Arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- (l)** Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

- (m)** Arising out of an electronic chat-room or bulletin board the insured hosts, owns, or over which the insured exercises control.
- (n)** Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

(2) Any loss, cost or expense arising out of any:

- (a)** Request, demand or order that any insured or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of pollutants; or
- (b)** Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of "pollutants".

- (c) Silica or Silica-Related Dust, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

p. Employment — Related Practices Exclusion

"Bodily injury", "personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person at whom any of the employment related practices described in paragraphs (a), (b) or (c) above directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

q. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data" that does not result from physical injury to tangible property.

r. Silica Or Silica-Related Dust

- (1) "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".

- (2) "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

- (3) Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

s. Distribution Of Material In Violation Of Statutes

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

t. Asbestos Liability

- (1) "Bodily injury", "property damage" or "personal and advertising injury" in any way or to any extent resulting from or arising out of:
 - (a) The inhaling of, ingesting or physical exposure to asbestos, asbestos fibers or goods or products containing asbestos or asbestos fibers;
 - (b) The use of asbestos or asbestos fibers in constructing or manufacturing any good, product, building or structure;
 - (c) The removal or abatement of asbestos or asbestos fibers from any good, product, building or structure;

- (d) The manufacture, sale, transportation, storage or disposal of asbestos or goods, or products containing asbestos or asbestos fibers;
 - (e) The presence of asbestos or asbestos fibers in any good, product, building or structure;
 - (f) The release of asbestos or asbestos fibers from or at any good, product, building or structure;
 - (g) Damage to, loss of use of, or reduction in the value of a building or any property due to the actual or alleged presence of asbestos or asbestos fibers;
 - (h) The encapsulation or containment of asbestos or asbestos fibers within a building;
 - (i) The providing of or failing to provide warnings or instructions concerning asbestos or asbestos fibers; or
 - (j) Warranties or representations made at any time with respect to or concerning asbestos or asbestos fibers.
- (2) Any loss, cost or expense arising out of:
- (a) Any request, demand or order that any insured or others test for, monitor, cleanup, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of asbestos or asbestos fibers; or
 - (b) Any claim or suit by or on behalf of a governmental authority or any other party for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to, or assessing the effects of asbestos or asbestos fibers.
- (3) Payment for the investigation or defense of any loss, injury or damage, any cost, fine, penalty or for any expense or claim or suit resulting from, arising out of or related to Paragraphs (1) and (2) above.

Exclusions **c., d., e., f., g., h., i., j., k., l., m.** and **n.** do not apply to damage by fire, explosion or smoke to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in section **D., LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE.**

2. Applicable to Medical Expenses Coverage

We will not pay expenses for "bodily injury":

- a. To any insured, except "volunteer workers".
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- f. Included within the "products – completed operations hazard".
- g. Excluded under Contractors Liability Coverage.

3. Applicable to Contractors Liability Coverage, Medical Expenses Coverage and Supplemental Property Damage Coverage — Nuclear Energy Liability Exclusion

This insurance does not apply:

- a. Under Contractors Liability Coverage or Supplemental Property Damage Coverage, to "bodily injury" or "property damage":
 - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:

- (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- b. Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
- c. Under Contractors Liability Coverage or Supplemental Property Damage Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:
 - (1) The "nuclear material":
 - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
 - (b) Has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

As used in this exclusion:

"By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear facility" means:

- a. Any "nuclear reactor";
- b. Any equipment or device designed or used for:
 - (1) Separating the isotopes of uranium or plutonium;
 - (2) Processing or utilizing "spent fuel"; or
 - (3) Handling, processing or packaging "waste";
- (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- c. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"Nuclear material" means "source material", "special nuclear material" or "by-product material";

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"Property damage" includes all forms of radioactive contamination of property.

"Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

"Waste" means any waste material:

- a. Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and

- b. Resulting from the operation by any person or organization of any "nuclear facility" included under paragraphs a. and b. of the definition of "nuclear facility".

4. Applicable to Supplemental Property Damage Coverage

This insurance does not apply to:

- a. "Property damage":
 - (1) To property held by the insured for serving, repair, safekeeping, storage or sale on, or on the ways next to, premises the insured owns, rents, operates or uses;
 - (2) Arising out of the transportation, including "loading or unloading" of property by any "auto", motorcycle, snowmobile, trailer, watercraft or aircraft owned or operated by or rented or loaned to any insured;
 - (3) Arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto", motorcycle, snowmobile, trailer, watercraft or aircraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading";
 - (4) To property owned by, rented to, occupied by or loaned to any insured.
- b. Damages claimed for the cost of repairing or replacing:
 - (1) Any of "your work" defectively or incorrectly performed or completed by you or on your behalf;
 - (2) "Your product" because of "property damage" arising out of it, unless the damage is caused directly by the insured after delivery and results from a subsequent undertaking;
 - (3) "Your work" because of "property damage" arising out of it, unless the damage is caused directly by the insured after completion and results from a subsequent undertaking;
 - (4) Any property because of liability assumed by the insured under any contract or agreement.
- c. "Property damage" caused by or arising out of work performed on your behalf by a subcontractor. This exclusion c. does not apply to work done for you by subcontractors which is covered by this policy for "property damage" coverage.

C. WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages of the injury described in paragraphs (1)(a) or (1)(b); or
 - (d) Arising out of his or her providing or failing to provide professional health care services; or
 - (2) "Property damage" to property:
 - (a) Owned, occupied or used by,
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
 - b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.
3. Any organization you newly acquire or form, other than a partnership or joint venture, and over which you maintain ownership or majority interest, will be deemed to be Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Contractors Liability Coverage does not apply to "bodily injury" or "property damage" that occurred before you acquire or formed the organization; and
 - c. Contractors Liability Coverage does not apply to "personal and advertising injury" arising out of an offense committed before you acquire or formed the organization.
4. Any person or organization for whom you are required because of the issuance or existence of a permit to add as an additional insured on your policy. Such person or organization is an additional insured only with respect to their liability arising out of your ongoing operations. However, coverage provided by this provision:
- a. Shall not apply to an "occurrence" which takes place prior to the execution or issuance of the permit; and
 - b. Ends when the permit expires.
- With respect to the insurance afforded these additional insureds, the following additional exclusions apply:
- This insurance does not apply to:
- "Bodily injury", "property damage", "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
- a. The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
 - b. Supervisory, inspection, architectural or engineering activities.
5. Any person or organization from whom you lease equipment when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an insured only with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such person or organization. A person's or organization's status as an insured under this provision ends when their contract or agreement with you for such leased equipment ends.
- With respect to the insurance afforded these additional insureds, the following additional exclusions apply:
- This insurance does not apply:
- a. To any "occurrence" which takes place after the equipment lease expires;
 - b. To "bodily injury" or "property damage" arising out of the sole negligence of such person or organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

6. Any organization (called additional insured) whom you are required to add as an additional insured on this policy under a written contract or written agreement; but the written contract or written agreement must be:
- Currently in effect or becoming effective during the term of this policy; and
 - Executed prior to the "bodily injury", "property damage", or "personal and advertising injury".

The following additional provisions apply to the coverage described above:

a. Limitations

The insurance provided to the additional insured is limited as follows:

- (1) That person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part, by:
 - (a) Your acts or admissions; or
 - (b) The act or admissions of those acting on your behalf,in the performance of your operations for the insured.
- (2) The Limits of Insurance applicable to the additional insured are those specified in the written contract or written agreement or in the Declarations of this policy, whichever is less. These Limits of Insurance are inclusive of, and not in addition to, the Limits of Insurance shown in the Declarations.
- (3) The coverage provided to the additional insured by this endorsement and paragraph f. of the definition of "insured contract" under the **LIABILITY AND MEDICAL EXPENSES DEFINITIONS (SECTION F)** do not apply to "bodily injury" or "property damage" arising out of the "products-completed operations hazard" unless required by the written contract or written agreement.

- (4) The insurance provided to the additional insured does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of the rendering of, or failure to render, any professional architectural, engineering or surveying services, including:

- (a) The preparing, approving or failure to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
- (b) Supervisory, inspection, architectural or engineering activities.

- (5) We have no duty to defend or indemnify an additional insured under this endorsement:

- (a) For any liability due to negligence attributable to any person or entity other than you or those acting on your behalf in the performance of your operations for the additional insured;
- (b) For any loss which occurs prior to our named insured commencing operations at the location of the loss; and
- (c) Until we receive written notice of a claim or "suit" from the additional insured as required in the **Duties In The Event of Occurrence, Offense, Claim or Suit Condition**.

D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical Expenses under Medical Expenses Coverage; and
 - b. Damages under Contractors Liability Coverage, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard".

The General Aggregate Limit of Insurance applies separately to each of your projects away from premises owned by or rented to you.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Contractors Liability Coverage for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. The Supplemental Property Damage Aggregate Limit is the most we will pay for all "property damage" covered by Supplemental Property Damage Coverage.
5. Subject to 2. above, the Personal and Advertising Injury Limit is the most we will pay under Contractors Liability Coverage for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
6. Subject to 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Contractors Liability Coverage; or
 - b. Medical expenses under Medical Expenses Coverage.

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

However, our obligation to pay damages because of "property damage" applies only in excess of any deductible amount stated in the Declarations. The limits of insurance applicable to each "occurrence" shall be reduced by the amount of such deductible. Such deductible shall not apply to "property damage":

- a. Arising out of the "products-completed operations hazard"; or
- b. Covered by Supplemental Property Damage Coverage.

The deductible amount applies to all damages because of "property damage" sustained by one person or organization as the result of any one occurrence.

7. Subject to 6. above, the Damage To Premises Rented To You Limit is the most we will pay under Contractors Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, explosion or smoke while rented to you or temporarily occupied by you with permission of the owner.

8. Subject to 6. above, the Medical Expense Limit is the most we will pay under Medical Expenses Coverage for all medical expenses because of "bodily injury" sustained by any one person.

9. The Supplemental Property Damage Each Occurrence Limit is the most we will pay because of all "property damage" covered by Supplemental Property Damage Coverage and arising out of any one "occurrence".

However, our obligation to pay damages because of "property damage" applies only in excess of \$250. The limits of insurance applicable to each "occurrence" shall be reduced by that amount.

The deductible amount applies to all damages because of "property damage" sustained by one person or organization as the result of any one "occurrence".

The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

2. Duties in the Event of Occurrence, Offense, Claim or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation, or settlement of the claim or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

(5) Promptly tender the defense of any claim made or "suit" to any other insurer which also has available insurance for an "occurrence" or offense which we cover under Contractors Liability coverage.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this policy:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Premium Audit

a. We will compute all premiums for this policy in accordance with our rules and rates.

b. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

5. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

6. Additional Insureds

An additional insured under this Coverage Part will as soon as practicable:

a. Give written notice of an occurrence or an offense to us which may result in a claim or "suit" under this insurance; and

b. Agree to trigger or activate any other insurance which the additional insured has, which is primary, for a loss we cover under this Coverage Part by tendering the defense to the insurers of all such other insurance.

F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters.

2. "Auto" means:

a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or

- b. Any other vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

- 3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- 4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in **a.** above; or
 - c. All parts of the world if:
 - (1) The injury or damage arises out of:
 - (a) Goods or products made or sold by you in the territory described in **a.** above; or
 - (b) The activities of a person whose home is in the territory described in **a.** above, but is away for a short time on your business; and
 - (2) The insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in **a.** above or in a settlement we agree to.
- 5. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
- 6. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 7. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- 8. "Hostile fire" means one which becomes uncontrollable or breaks out from where it is intended to be.

- 9. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

- (1) The repair, replacement, adjustment or removal of "your product" or "your work"; or
- (2) Your fulfilling the terms of the contract or agreement.

- 10. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph **f.** does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road beds, tunnel, underpass or crossing;

- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection or engineering services.
11. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
12. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
13. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, on which are permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or

- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".
14. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
15. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- 16.** "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 17.** "Products — completed operations hazard":
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
- 18.** "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it;
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it; or
 - c. Loss of, loss of use of, damage to, corruption of, inability to access, or inability to properly manipulate "electronic data", resulting from physical injury to tangible property. All such loss of "electronic data" shall be deemed to occur at the time of the "occurrence" that caused it.
- For purposes of this insurance, "electronic data" is not tangible property.
- 19.** "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
- 20.** "Silica-related dust" means a mixture or combination of silica and other dust or particles.
- 21.** "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 22. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 23. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 24. "Your product" means:
 - a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and

- b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

"Your product" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - b. The providing of or failure to provide warnings or instructions.

"Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

25. "Your work" means:

- a. Work or operations performed by you or on your behalf; and
 - b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

- a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - b. The providing of or failure to provide warnings or instructions.

CONTRACTORS INLAND MARINE COVERAGE FORMS

CONTRACTORS EQUIPMENT SPECIAL COVERAGE

Words and phrases that appear in quotation marks have special meaning. Refer to section **G — DEFINITIONS**.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property shown in the Schedule or Declarations caused by or resulting from any of the Covered Causes of Loss.

1. Covered Property

Covered Property, as used in this Coverage, means:

- a. Your contractors equipment,
- b. Your tools, accessories and spare parts used in conjunction with **A.1.a.** above, or
- c. Equipment of others in your care, custody, or control.

2. Property Not Covered

Covered property does not include:

- a. Aircraft or watercraft;
- b. Automobiles, motor trucks, trailers, and similar conveyances designed for highway use and used for over the road transportation of people or cargo. However this does not include:
 - (1) Self-propelled vehicles designed and used primarily to carry mounted equipment; or
 - (2) Vehicles designed for highway use that are unlicensed and not operated on public roads;
- c. Contraband, or property in the course of illegal transportation or trade;
- d. Plans, blueprints, mechanical drawings, designs or specifications;
- e. Property you have loaned, rented or leased to others;
- f. Property while in caissons or underwater, or while being used in underground mining, tunneling or similar operations, unless specifically described as being used for these operations;
- g. Property that is or will become a permanent part of any building or structure;

- h. Property while stored or operated underground in connection with any mining operation;
- i. Property while airborne or waterborne or being loaded or unloaded from a watercraft. However, we will cover property while being transported on any regular ferry incidental to other modes of transportation;
- j. Furniture, fixtures and office supplies, except as covered by the Office Trailers and Contents Additional Coverage;
- k. Property that is specifically covered under:
 - (1) Contractors Special Property Coverage;
 - (2) Installation and Construction Coverage; or
 - (3) Minicomputer Coverage.
- l. Covered property leased from others unless individually scheduled on the Contractors Equipment Schedule.

3. Covered Causes of Loss

Covered Causes of Loss means Risks of Direct Physical Loss to Covered Property, unless the loss is excluded in section **B., EXCLUSIONS**.

4. Coverage Extensions

a. Newly Acquired Property

- (1) If during the policy period you acquire additional property of the type already covered by this coverage, you may extend coverage to apply to such property.
- (2) The most we will pay for loss or damage under this Coverage Extension is the lessor of:
 - (a) The actual cash value of the acquired property; or
 - (b) 25% of the total limit of insurance shown on the Contractors Equipment Schedule.
- (3) This Coverage Extension will end when any of the following first occurs:

- (a) This policy expires or is cancelled;
- (b) 30 days after the date of acquisition of the newly acquired property; or
- (c) You report values of the newly acquired property to us.

We will charge you additional premium based on values reported from the date of purchase.

This Coverage Extension is not subject to the Limits of Insurance.

b. Waiver of Depreciation (Partial Losses)

We will not deduct for depreciation on the adjustment of any partial loss that does not exceed 10% of the Actual Cash Value of the item at the time of loss.

5. Additional Coverages

a. Employees Tools

We will pay for loss or damage to tools owned by your employees. Coverage applies only when the tools are located on the jobsite or in transit to and from the jobsite in your vehicles.

The most we will pay for loss or damage is \$5,000 for any one occurrence, subject to:

- (1) A \$1,000 limit for any one employee, and
- (2) A \$250 limit per item.

This Additional Coverage is not subject to the Limits of Insurance.

b. Office Trailers and Contents

We will pay for loss or damage resulting from a covered cause of loss to office trailers and their contents owned by you. This additional coverage applies to office trailers and their contents only when located at a jobsite or while in transit.

The most we will pay for loss or damage in any one occurrence is \$10,000.

This Additional Coverage is not subject to the Limits of Insurance.

c. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (a) The date of direct physical loss or damage; or
- (b) The end of the policy period.

- (2) The most we will pay under this Additional Coverage is 25% of:

- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
- (b) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in paragraph (4) below.

- (3) This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

- (4) If:

- (a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
- (b) The debris removal expense exceeds the amount payable under the 25% Debris Removal Coverage limitation in paragraph (2) above;

we will pay up to an additional \$10,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

d. Pollutant Cleanup and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

The most we will pay for each location under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

This Additional Coverage is not subject to the Limits of Insurance.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

b. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

c. War and Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Consequential Losses

Delay, loss of use or loss of market.

b. Dishonesty

Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others;
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

This exclusion does not apply to covered property in the custody of a carrier for hire.

c. False Pretense

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

d. Pollution

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

e. Other Types of Loss

- (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Weight of a load, when it exceeds the designed capacity of any Covered Property to lift, move or support the load from any position;
- (4) Your neglect to use all reasonable means to save and preserve Covered Property from impending loss or damage during and after the occurrence of loss;
- (5) Loss of or damage to tires and tubes in or on a unit from:
 - (a) Theft, unless the entire unit is stolen; or
 - (b) Damage due and confined to blowout, bruises, cuts or other causes inherent in the use of the unit. However, if the loss is a result of another Covered Cause of Loss, we will pay for the damage;

- (6) Unexplained disappearance;
- (7) Shortage found upon taking inventory;
- (8) Mechanical or electrical breakdown or failure. But we will pay for direct loss caused by resulting fire or explosion;
- (9) Repairing, adjusting, servicing or maintenance operations. But we will pay for direct loss caused by resulting fire or explosion; or
- (10) The following causes of loss to covered property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature;
 - (c) Freezing; or
 - (d) Marring or scratching.

But if an excluded cause of loss that is listed in **B.2.e.(1)**, **B.2.e.(2)**, **B.2.e.(8)**, or **B.2.e.(10)** results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

C. LIMITS OF INSURANCE

The most we will pay for loss in any one occurrence is the applicable limit of insurance shown in the Declarations or in the Contractors Equipment Schedule.

D. DEDUCTIBLE

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
2. Regardless of the amount of the Deductible shown in the Declarations, the most we will deduct from any loss or damage, under the Employees Tools Additional Coverage is \$100 per employee claim.

But this Additional Coverage Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

E. ADDITIONAL CONDITION

The following additional condition applies.

Coinurance

All Covered Property must be insured for an amount that is at least 80% of the total value of the Covered Property at the time of the loss or you will incur a penalty.

The penalty is that we will pay only the proportion of any loss that the Limit of Insurance shown for each item bears to 80% of the value of the item at the time of the loss. If this coverage insures two or more items, this condition will apply to each item separately.

F. OPTIONAL COVERAGE

When coverage is designated in the Declarations, the following coverage applies.

Rental Reimbursement

The following optional coverage applies only if Contractors Equipment Rental Reimbursement is indicated as applicable on the Declarations.

1. We will reimburse you for rental expenses you incur when it is necessary to rent equipment to replace Covered Property which has been damaged by a Covered Cause of Loss. We will reimburse you only when the Covered Property has been damaged to the extent that it must be withdrawn from normal use.
2. We will not reimburse you:
 - a. When other equipment owned or controlled by you can be used to continue operations.
 - b. When the rented equipment is not similar and used for the same purpose as the replaced equipment.
 - c. For the rental expense of any equipment unless you make every reasonable effort to repair, replace, or rebuild the inoperable equipment after the loss occurs.
3. This Rental Reimbursement optional coverage:
 - a. Begins 72 hours after the loss. Sundays and legal holidays are not to be included in this 72 hour period; and
 - b. Ends when the insured property is repaired, replaced or restored to service regardless of the expiration date of the policy.
4. The most we will reimburse you for is \$500 per day per item and no more than \$15,000 in any one policy year for all items.

This optional coverage applies only to scheduled equipment with a value in excess of \$1,000.

No deductible applies to this optional coverage.

G. DEFINITIONS

1. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

2. "Specified Causes of Loss" means the following:

Fire; lightning; explosion, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- (1)** The cost of filling sinkholes; or
- (2)** Sinking or collapse of land into man-made underground cavities.

b. Falling objects does not include loss of or damage to:

- (1)** Personal property in the open; or

(2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

INSTALLATION AND CONSTRUCTION COVERAGE

If Installation and Construction Coverage is designated in the Declarations, the following coverage applies.

Other words and phrases that appear in quotations marks have special meaning. Refer to section **F — DEFINITIONS**.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property means:

- a. Machinery, equipment, materials, fixtures and supplies owned by you, or in your care, custody or control, and which are to be installed by you or at your direction while:

- (1) At the “job site”;
- (2) In transit; or
- (3) At a “temporary storage location”.

- b. Temporary structures built or assembled on site, including cribbing, scaffolding and construction forms.

Covered Property includes labor costs incurred by you in the installation of machinery, equipment, materials, fixtures and supplies.

2. Property Not Covered

Covered Property does not include:

- a. Machinery, tools, equipment, supplies or similar property (except cribbing, scaffolding and construction forms) that do not become a permanent part of the project to be performed by you for the purchaser at the covered job site. This includes tools and equipment belonging to a contractor or sub-contractor;
- b. Property of others, unless you have assumed responsibility for such property prior to loss. We will then cover only to the extent of your liability;
- c. An existing building or structure to which an addition, alteration, improvement or repair is being made;
- d. Contraband, or property in the course of illegal transportation or trade;

- e. Drawings, plans, blueprints, designs or specifications, accounts, bills, deeds, evidences of debt, currency, money or notes;
- f. Property at any premises you own, lease or occupy other than the “job site”; and

- g. Property that is specifically covered under:

- (1) Contractors Special Property Coverage;
- (2) Minicomputer Coverage; or
- (3) Contractors Equipment Coverage.

3. Covered Causes of Loss

Covered Causes of Loss means Risks of Direct Physical Loss to Covered Property, unless the loss is excluded in section **B., EXCLUSIONS**.

4. Additional Coverages

a. Collapse

- (1) We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building, if the collapse is caused by one or more of the following:

- (a) The “specified causes of loss” or breakage of building glass, all only as insured against in this policy;
- (b) Hidden decay;
- (c) Hidden insect or vermin damage;
- (d) Weight of people or personal property;
- (e) Weight of rain that collects on a roof;
- (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

Collapse does not include settling, cracking, shrinkage, bulging or expansion.

b. Debris Removal

(1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (a) The date of direct physical loss or damage; or
- (b) The end of the policy period.

(2) The most we will pay under this Additional Coverage is 25% of:

- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
- (b) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in paragraph (4) below.

(3) This Additional Coverage does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

(4) If:

- (a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
- (b) The debris removal expense exceeds the amount payable under the 25% Debris Removal Coverage limitation in paragraph (2) above;

we will pay up to an additional \$10,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

c. Contract Penalty Reimbursement

We will pay up to 50% of the contractual penalties you are required to pay to your customers as a result of any clause in your contracts for failure to timely deliver your product according to the contract terms. The penalties must solely result from direct physical loss by a Covered Cause of Loss to Covered Property.

The most we will pay under this Additional Coverage is \$10,000 in any one policy year.

This Additional Coverage is not subject to the Limits of Insurance.

d. Pollutant Cleanup and Removal

(1) We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

- (a) The date of direct physical loss or damage; or
- (b) The end of the policy period.

(2) The most we will pay for each "job site" under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

This Additional Coverage is not subject to the Limits of Insurance.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Any earth movement (other than sink-hole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.
- (2) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust, or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this Coverage.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

f. War and Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if Water, as described in **B.1.g.(1)** through **B.1.g.(4)**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

- 2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Electrical Apparatus

Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by fire.

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

Smoke, vapor or gas from agricultural smudging or industrial operations.

d. Steam Apparatus

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

e. Frozen Plumbing

Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

f. Dishonesty

Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

- (1) Acting alone or in collusion with others;
- (2) Whether or not occurring during the hours of employment.

This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.

g. False Pretense

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

h. Exposed Property

Rain, snow, ice or sleet to:

- (1) Personal property in the open; or

- (2) The interior of any building or structure unless:

- (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, ice or sleet enters; or
- (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure;

i. Collapse

Collapse, except as provided in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

j. Pollution

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

k. Other Types of Loss

- (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching;

- (8) Unexplained disappearance;
- (9) Shortage found upon taking inventory;
- (10) Unauthorized instruction to transfer property to any person or to any place; or
- (11) The weight of a load, when it exceeds the designed capacity of any Covered Property to lift, move or support the load from any position.

But if an excluded cause of loss that is listed in **B.2.k.(1)** through **B.2.k.(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

- 3. We will not pay for loss or damage caused by or resulting from any of the following **B.3.a.** through **B.3.c.** But if an excluded cause of loss that is listed in **B.3.a.** through **B.3.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather Conditions

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the loss or damage.

b. Acts or Decisions

Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Negligent Work

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property on or off the described premises.

C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the Limit of Insurance shown in the Declarations.

D. DEDUCTIBLE

- 1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
- 2. No deductible applies to the Contract Penalty Reimbursement Additional Coverages.

E. ADDITIONAL CONDITIONS

The following additional conditions apply.

1. Coinsurance

We will not pay a greater share of any loss than the proportion that the Limit of Insurance bears to the full value of the property insured at the date of completion.

If this coverage applies to two or more job-sites, this condition will apply to each jobsite separately.

2. When Coverage Ceases

The insurance provided by this coverage will end when one of the following first occurs:

- a. This policy expires or is cancelled;
- b. The property covered under this form is accepted by the purchaser;
- c. Your interest in the property covered under this form ceases;
- d. You abandon the project to be performed by you for the purchaser, with no intention to complete it;
- e. 90 days after the project to be performed by you for the purchaser is completed, unless we specify a different date in writing;
- f. When any construction site is, unless specified otherwise in writing:
 - (1) Occupied in whole or part; or
 - (2) Put to its intended use.

However, incidental testing or other temporary operations shall not be considered as an occupancy within the meaning of this condition.

F. DEFINITIONS

- 1. "Job site" means the premises where the Covered Property will be permanently located at the completion of the construction, installation, erection or fabrication.

2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

3. "Specified Causes of Loss" means the following:

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow; ice or sleet; water damage.

- a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- (1) The cost of filling sinkholes; or
- (2) Sinking or collapse of land into man-made underground cavities.

- b. Falling objects does not include loss of or damage to:

- (1) Personal property in the open; or
- (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

4. "Temporary storage location" means a location where property that is to become a permanent part of a completed project is stored while waiting to be delivered to a covered job site:

- a. That you do not own, lease or operate; and
- b. Where work is in progress, or will begin in 30 days.

MINICOMPUTER COVERAGE

If Minicomputer Coverage is designated in the Declarations, the following coverage applies.

Other words and phrases that appear in quotation marks have special meaning. Refer to section **F — DEFINITIONS**.

A. COVERAGE

We will pay for loss or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property

Covered property, as used in this Coverage, means electronic data processing equipment, its component parts, data and media which are:

- a. Owned by you; or
- b. Leased, rented or under your control and for which you are legally liable.

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts or similar documents. However, we will pay for loss to these items when in data form. This coverage is subject to paragraph **A.2.c.** below;
- b. Property rented or leased to others while away from your premises;
- c. Any data and media which cannot be replaced with other of like kind and quality;
- d. Contraband, or property in the course of illegal transportation or trade;
- e. Your stock in trade; or
- f. Property that is specifically covered under:
 - (1) Contractors Special Property Coverage,
 - (2) Installation and Construction Coverage; or
 - (3) Contractors Equipment Coverage.

3. Covered Causes of Loss

Covered Causes of Loss means Risks of Direct Physical Loss to Covered Property, unless the loss is excluded in section **B — EXCLUSIONS**.

4. Additional Coverages

a. Collapse

- (1) We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building, if the collapse is caused by one or more of the following:
 - (a) The “specified causes of loss” or breakage of building glass, all only as insured against in this policy;
 - (b) Hidden decay;
 - (c) Hidden insect or vermin damage;
 - (d) Weight of people or personal property;
 - (e) Weight of rain that collects on a roof;
 - (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in **4.a.(1)(a)** through **4.a.(1)(e)**, we will pay for the loss or damage even if use of defective material or methods in construction, remodeling or renovation, contributes to the collapse.
- (2) If the direct physical loss or damage does not involve collapse of a building or any part of a building, we will pay for loss or damage to Covered Property caused by the collapse of personal property only if the collapse was caused by a cause of loss listed in **4.a.(1)(a)** through **4.a.(1)(e)** above.
- (3) Collapse does not include settling, cracking, shrinkage, bulging or expansion.

b. Debris Removal

We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period.

c. Extra Expense

We will pay the actual and necessary Extra Expense you sustain due to direct physical loss to Covered Property as a result of a Covered Cause of Loss. Extra Expense means necessary expenses you incur during the period of time required, with the exercise of diligence, to restore normal operations, that you would not have incurred if there had been no direct physical loss to Covered Property.

The most we will pay under this extension is 25% of the Minicomputer limit shown in the Declarations.

This Additional Coverage is not subject to the Limits of Insurance.

5. Coverage Extensions

The following Coverage Extensions apply as respects to this Coverage:

a. Newly Acquired Property

(1) If during the policy period you acquire additional property of the type already covered by this coverage, you may extend coverage to apply to such property.

(2) The most we will pay for loss or damage under this Coverage Extension is 25% of the largest Minicomputer Limit of Insurance shown in the Declarations.

(3) This Coverage Extension will end when any of the following first occurs:

(a) This policy expires or is cancelled;

(b) 30 days expire after the date of acquisition of the newly acquired property; or

(c) You report values of the newly acquired property to us.

We will charge you additional premium based on values reported from the date of purchase.

This Coverage Extension is not subject to the Limits of Insurance.

b. New Location Coverage

Coverage is extended to Covered Property if it is moved to a newly acquired location occupied by you. We will not pay more than the largest Minicomputer Limit of Insurance shown in the Declarations.

This coverage extension will end when any of the following first occurs:

(1) This policy expires or is cancelled;

(2) 30 days expire after you acquire the property; or

(3) You report the values to us.

This Coverage Extension is not subject to the Limits of Insurance.

c. Property Off Premises

We will pay for loss to Covered Property resulting from a Covered Cause of Loss while the property is in transit or at a temporary location.

This Coverage Extension is part of, not in addition to, the Limits of Insurance.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

b. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

c. War and Military Action

(1) War, including undeclared or civil war;

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- 2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. **Negligent Work**
 Faulty workmanship or material, or error or omission in design of the Covered Property. However:
 - (1) If loss or damage by fire or explosion results, we will pay for that resulting loss or damage;
 - (2) We will pay for the resulting damage or expense for data or media;
 - (3) We will pay for the resulting loss or damage to data processing equipment.
 - b. **Dishonesty**
 Dishonest acts by you, anyone else with an interest in the property, or any of your or their partners, employees, directors, trustees, authorized representatives, or anyone to whom you entrust the property for any purpose.
 - (1) Acting alone or in collusion with others;
 - (2) Whether or not occurring during the hours of employment.
 This exclusion does not apply to acts of destruction by your employees; but theft by employees is not covered.
 - c. **Machine Programming Errors and Omissions**
 Error or omission in machine programming or instructions to the machine.
 - d. **Ordinance or Law**
 The enforcement of any state or municipal ordinance or law unless such liability is specifically assumed elsewhere in this Coverage.
 - e. **Consequential Losses**
 Delay, loss of profit, loss of use or loss of market.

f. False Pretense

Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

g. Other Types of Loss

- (1) Any quality in the property that causes it to damage or destroy itself, wear and tear, insects, gradual deterioration or depreciation.
- (2) Dryness or dampness of atmosphere, extremes of temperature, corrosion, or rust unless directly resulting from loss to the data processing system's air conditioning facilities caused by a Covered Cause of Loss.
- (3) Actual work upon the Covered Property. However:
 - (a) If loss or damage by fire or explosion results, we will pay for that resulting loss or damage to the data or media;
 - (b) We will pay for the resulting loss or damage to data processing equipment.
- (4) Unauthorized instructions to transfer property to any person or to any place.

C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Mini-computer Coverage shown in the Declarations.

D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$250. We will then pay the amount of loss or damage in excess of \$250, up to the applicable Limit of Insurance.

E. ADDITIONAL CONDITION

The following additional condition applies.

Application of Insurance

When Minicomputer Coverage is shown in the Declarations, no other coverage in the policy applies to the Covered Property insured by this Coverage.

F. DEFINITION

"Specified causes of loss" means the following:

Fire; lightning; explosion, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

1. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - a. The cost of filling sinkholes; or
 - b. Sinking or collapse of land into man-made underground cavities.

2. Falling objects does not include loss of or damage to:
 - a. Personal property in the open; or
 - b. The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
3. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

CONTRACTORS INLAND MARINE CONDITIONS

The following conditions apply to all Inland Marine Coverages.

A. ABANDONMENT

There can be no abandonment of any property to us.

B. APPRAISAL

If you and we disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire.

If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire.

A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. DUTIES IN THE EVENT OF LOSS OR DAMAGE

1. You must see that the following are done in the event of loss or damage to Covered Property:
 - a. Notify the police if a law may have been broken.
 - b. Give us prompt notice of the loss or damage. Include a description of the property involved.
 - c. As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - d. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

- e. Make no statement that will assume any obligation or admit any liability, for any loss for which we may be liable, without our consent.

- f. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

- g. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- h. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

- i. Promptly send us any legal papers or notices received concerning the loss.

- j. Cooperate with us in the investigation or settlement of the claim.

- k. Resume all or part of your "operations" as quickly as possible.

2. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

D. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. LOSS PAYMENT

We will pay or make good any loss covered under this Coverage within 30 days after:

1. We reach agreement with you;
2. The entry of final judgment; or
3. The filing of an appraisal award.

We will not be liable for any part of a loss that has been paid or made good by others.

F. OTHER INSURANCE

If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. PAIRS, SETS OR PARTS

1. Pair or Set. In case of loss to any part of a pair or set we may:
 - a. Repair or replace any part to restore the pair or set to its value before the loss; or
 - b. Pay the difference between the value of the pair or set before and after the loss.
2. Parts. In case of loss to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. PRIVILEGE TO ADJUST WITH OWNER

In the event of loss involving property of others in your care, custody or control, we have the right to:

1. Settle the loss with the owners of the property. A receipt for payment from the owners of that property will satisfy any claim of yours.
2. Provide a defense for legal proceedings brought against you. If provided, the expense of this defense will be at our cost and will reduce the applicable Limit of Insurance under this insurance.

I. RECOVERED PROPERTY

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

J. REINSTATEMENT OF LIMIT AFTER LOSS

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss of a scheduled item, in which event we will refund the unearned premium on that item.

K. TRANSFER OR RIGHTS OF RECOVERY AGAINST OTHERS TO US

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them.

L. CONCEALMENT, MISREPRESENTATION OR FRAUD

This policy is void in any case of fraud by you at any time as it relates to this policy. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This policy;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this policy.

M. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this insurance unless:

1. There has been full compliance with all of the terms of this insurance; and
2. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

N. NO BENEFIT TO BAILEE

No person or organization, other than you, having custody of Covered Property, will benefit from this insurance.

O. POLICY PERIOD

We cover loss or damage commencing during the policy period shown in the Declarations.

P. COVERAGE TERRITORY

The coverage territory is:

1. The United States of America (including its territories and possessions);
2. Puerto Rico; and
3. Canada.

Q. PRESERVATION OF PROPERTY

If you give us written notice within 10 days of removal of your Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss of or damage to that property while:

1. At a safe place away from the described premises; and
2. Being taken to and returned from that place.

R. VALUATION

The value of property will be determined as follows:

1. Contractors Equipment items:
 - a. That are \$1,000 or more in value and are specifically scheduled on the Contractors Equipment Schedule will be valued at replacement cost without deduction for depreciation.

Replacement cost is limited to the cost of repair or replacement with similar equipment and used for the same purpose. Payment shall not exceed the amount you spend to repair or replace the damaged or destroyed property.

- b.** That are less than \$1,000 in value and not specifically scheduled in the Contractors Equipment Schedule will be valued at the least of the following amounts:
 - (1)** The actual cash value of the property at the time of loss or damage;
 - (2)** The cost of reasonably restoring that property to its condition immediately before loss; or
 - (3)** The cost of replacing that property with substantially identical property.
- 2.** Installation and Construction Coverage will be valued at the least of the following amounts:

- a.** The actual cash value of the property at the time of loss or damage;
 - b.** The cost of reasonably restoring that property to its condition immediately before loss; or
 - c.** The cost of replacing that property with substantially identical property.
- 3.** Minicomputer Coverage will be valued as follows:
 - a.** Equipment will be valued at replacement cost without deduction for depreciation with similar equipment of like kind and quality to the extent practicable.
 - b.** Data at the cost of reproducing the data. If data is not replaced or reproduced, then the cost of blank media.
 - c.** Media at the actual cost to repair or replace the property with material of like kind and quality.

In the event of loss, the value of property will be determined as of the time of loss.

CONTRACTORS COMMON POLICY CONDITIONS

All coverages of this policy are subject to the following conditions.

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy:
 - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
 - (a) Seasonal unoccupancy; or
 - (b) Buildings in the course of construction, renovation or addition.
Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
 - (2) After damage by a covered cause of loss, permanent repairs to the building:
 - (a) Have not started; and
 - (b) Have not been contracted for, within 30 days of initial payment of loss.
 - (3) The building has:
 - (a) An outstanding order to vacate;
 - (b) An outstanding demolition order; or
 - (c) Been declared unsafe by governmental authority.
 - (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

(5) Failure to:

- (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
 - (b) Pay property taxes that are owed and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
 - c. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
 4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
 5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
 6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. CONCEALMENT, MISREPRESENTATION OR FRAUD

This policy is void in any case of fraud by you at any time as it relates to this policy. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This policy;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this policy.

D. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

E. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

F. INSURANCE UNDER TWO OR MORE COVERAGES

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

G. LIBERALIZATION

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

H. OTHER INSURANCE

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.
2. Contractors Liability Coverage is excess over any other insurance, whether primary, excess, contingent or on any other basis:
 - a. That insures for direct physical loss or damage;
 - b. That is purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
 - c. If loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to **B. Exclusions, Paragraph g. Aircraft, Auto or Watercraft** of Contractors Liability Coverage.
3. This Contractors General Liability Coverage is excess over any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty under Contractors Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- a. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- b. The total of all deductible and self-insured amounts under all that other insurance; and

We will share the remaining loss, if any, with any other insurance that is not described in this Other Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations.

4. This insurance is excess over any other insurance naming the additional insured as an insured whether primary, excess, contingent or on any other basis unless the written contract or agreement described in **Section C. Who is An Insured, Item 6** specifically requires that this insurance be provided on either a primary basis or a primary and noncontributory basis.
5. If all other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

I. PREMIUMS

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
 - a. Paid to us prior to the anniversary date; and
 - b. Determined in accordance with paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

J. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

1. Applicable to Contractors Property coverage:
If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment.

That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to a loss to your Covered Property.
- b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
 - (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

2. Applicable to Contractors Liability coverage:
If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

K. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTORS STANDARD PROPERTY COVERAGE

This endorsement modifies insurance provided under the following:

CONTRACTORS SPECIAL PROPERTY COVERAGE

The following changes are made to the Contractors Special Property Coverage form:

A. The following is added to paragraph A. 2. Property Not Covered:

Bullion, Money and Securities.

B. Paragraph A.3. Covered Causes of Loss, is deleted and replaced by the following:

3. Covered Causes Of Loss

- a. Fire.**
- b. Lightning.**
- c. Explosion, including the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass. This cause of loss does not include loss or damage by:**
 - (1) Rupture, bursting or operation of pressure relief devices; or**
 - (2) Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.**
- d. Windstorm or Hail, but not including:**
 - (1) Frost or cold weather;**
 - (2) Ice (other than hail), snow or sleet, whether driven by wind or not;**
 - (3) Loss of or damage to the following property when outside of buildings:**
 - (a) Awnings or canopies of fabric or slat construction, including their supports;**
 - (b) Radio or television antennas, including their lead-in wiring, masts or towers; or**
 - (4) Loss of or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust,**

whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.

- e. Smoke, causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.**
- f. Aircraft or Vehicles, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the Covered Property or with the building or structure containing the Covered Property. This cause of loss includes loss or damage by objects falling from aircraft.**

We will not pay for loss or damage caused by or resulting from vehicles you own or which are operated in the course of your business.
- g. Riot or Civil Commotion, including:**
 - (1) Acts of striking employees while occupying the described premises; and**
 - (2) Looting occurring at the time and place of a riot or civil commotion.**
- h. Vandalism, meaning willful and malicious damage to, or destruction of, Covered Property.**

We will not pay for loss or damage:

- (1) To glass (other than glass building blocks) that is part of the interior of a building or structure, or part of an outdoor sign; but we will pay for loss of or damage to other property caused by or resulting from breakage of glass by vandals.**
- (2) Caused by or resulting from theft, except for building damage caused by the breaking in or exiting of burglars.**

- i. Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.

If the building or structure containing the Automatic Sprinkler System is Covered Property, we will also pay the cost to:

- (1) Repair or replace damaged parts of the Automatic Sprinkler System if the damage:
 - (a) Results in sprinkler leakage; or
 - (b) Is directly caused by freezing.
- (2) Tear out and replace any part of the building or structure to repair damage to the Automatic Sprinkler System that has resulted in sprinkler leakage.
- (3) Automatic Sprinkler System means:
 - (a) Any automatic fire protective or extinguishing system, including connected:
 - (i) Sprinklers and discharge nozzles;
 - (ii) Ducts, pipes, valves and fittings;
 - (iii) Tanks, their component parts and supports; and
 - (iv) Pumps and private fire protection mains.
 - (b) When supplied from an automatic fire protective system:
 - (i) Non-automatic fire protective systems; and
 - (ii) Hydrants, standpipes and outlets.
- j. Sinkhole Collapse, meaning loss or damage caused by the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
- k. Volcanic Action, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:
 - (1) Airborne volcanic blast or airborne shock waves;
 - (2) Ash, dust or particulate matter; or
 - (3) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

This cause of loss does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

- l. Transportation, meaning loss or damage caused by:
 - (1) Collision, derailment or overturn of a vehicle;
 - (2) Stranding or sinking of vessels;
 - (3) Collapse of bridges, culverts, piers, wharves or docks;
 - (4) Flood, meaning the rising of natural or man-made bodies of water;
 - (5) Earthquake; and
 - (6) Landslide.

This cause of loss applies only to Covered Property in course of transit.

C. Paragraph A. 4., **Limitations**, is deleted.

D. The following **Additional Coverages** are deleted:

- 1. Item 5. d., **Collapse**;
- 2. Item 5. e., **Water Damage, Other Liquids, Powder or Molten Material Damage**;
- 3. Item 5. l., **Money and Securities**.

E. Section B. **EXCLUSIONS** is deleted and replaced by the following:

B. EXCLUSIONS

- 1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) Regulating the construction, use or repair of any property; or
- (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, **Ordinance or Law**, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renova-

tion, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Any earth movement (other than sink-hole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.
- (2) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire or volcanic action, we will pay for the loss or damage caused by that fire or volcanic action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to Covered Property.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Power Failure

The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

f. War and Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

- (1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not; or
 - (c) Doors, windows or other openings.

But if Water, as described in **B.1.g.(1)** through **B.1.g.(4)**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

2. We will not pay for loss or damage caused by or resulting from:

a. Electrical Apparatus

Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by fire.

b. Burst Piping

Rupture or bursting of water pipes (other than Automatic Sprinkler Systems) unless caused by a Covered Cause of Loss.

c. Water Discharge

Leakage or discharge of water or steam from any part of a system or appliance containing water or steam (other than an Automatic Sprinkler System), unless the leakage or discharge occurs because the system or appliance was damaged by a Covered Cause of Loss.

d. Steam Apparatus

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion.

e. Mechanical Breakdown

Mechanical breakdown, including rupture or bursting caused by centrifugal force.

But if mechanical breakdown results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

3. Business Income and Extra Expense Exclusions

We will not pay for:

a. Any Extra Expense, or increase of Business Income loss, caused by or resulting from:

(1) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

(2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration".

b. Any other consequential loss.

4. Accounts Receivable and "Valuable Papers and Records" Exclusions

The following additional exclusions apply to the Accounts Receivable and "Valuable Papers and Records" Coverage Extensions:

a. We will not pay for loss or damage caused by or resulting from any of the following:

(1) Dishonest or criminal acts by you or anyone else with an interest in the property, any of your or their partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(a) Acting alone or in collusion with others; or

(b) Whether or not occurring during the hours of employment.

This exclusion does not apply to a carrier for hire and acts of destruction by your employees; but theft by employees is not covered.

(2) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

(3) Unauthorized instructions to transfer property to any person or to any place.

(4) Electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

(a) Programming errors or faulty machine instructions;

(b) Faulty installation or maintenance of data processing equipment or component parts;

But we will pay for direct loss or damage caused by lightning.

b. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for that resulting loss or damage.

(1) Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph **B.1.c.**, **B.1.d.** or **B.1.f.** above to produce the loss or damage.

- (2) Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- (3) Faulty, inadequate or defective:
 - (a) Planning, zoning, development, surveying, siting;
 - (b) Design, specifications, workmanship, repair, construction, renovation;
 - (c) Materials used in repair, construction, renovation or remodeling; or
 - (d) Maintenance;
 - of part or all of any property on or off the described premises.
- c. Applicable to "Valuable Papers and Records" only:

We will not pay for loss or damage caused by or resulting from any of the following:

 - (1) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion.
 - (2) Wear and tear, gradual deterioration or latent defect.
- d. Applicable to Accounts Receivable only:

We will not pay for:

 - (1) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of title, remodeling, grading, compaction; accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.
 - (2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
 - (3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.
- F. The Specified Causes of Loss definition, Paragraph H. 8. is deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY – CONTRACTORS SPECIAL PROPERTY COVERAGE

SCHEDULE*

Location

Deductible Percentage

A. The following are added to Covered Causes of Loss in Paragraph **A.3.** in the Contractors Special Property Coverage:

1. Earthquake

2. Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.

B. All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.

C. We will not pay for loss or damage caused by or resulting from:

1. Fire, explosion (other than volcanic explosion), landslide, mine subsidence, tidal wave, flood, mudslide or mudflow, even if attributable to an Earthquake or Volcanic Eruption.

2. Any Earthquake or Volcanic Eruption that begins before the inception of this insurance.

But, if this policy replaces earthquake insurance that excludes loss or damage that occurs after the expiration of the policy we will pay for loss or damage by Earthquake or Volcanic Eruption that occurs on or after the inception of this insurance, if the series of Earthquake shocks or Volcanic Eruptions began within 168 hours prior to the inception of this insurance.

D. The **EARTH MOVEMENT** exclusion does not apply.

E. The **DEDUCTIBLES** section is replaced by the following for Earthquake and Volcanic Eruption:

1. We will subtract a sum from the amount of loss or damage in any one occurrence.

a. The sum we subtract from each separate item will be a percentage of the limit of insurance. The applicable percentage is shown in the Schedule above.

b. This Deductible applies separately to the following:

(1) Each building or structure;

(2) The contents of each building or structure; and

(3) Personal property in the open.

Example:

When: The limit of insurance is \$100,000

The Earthquake Deductible is 5%

The amount of loss is \$ 20,000

Step (a): $\$100,000 \times 5\% = \$5,000$

Step (b): $\$20,000 - \$5,000 = \$15,000$

The most we will pay is \$15,000. The remaining \$5,000 is not covered because of the Deductible.

2. No deductible applies to the following Additional Coverages:

a. Business Income;

b. Extra Expense; and

c. Civil Authority

F. The following is added to the **LIMITS OF INSURANCE** section:

The limit of Insurance that applies to coverage under this endorsement also applies to the Business Income and Extra Expense Additional Coverages.

*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY

SCHEDULE

Prem No.	Bldg No.	Description of property	Loss Payee (Name and address)	Provision Applicable (Indicate Paragraph A, B or C)
!!!	!!!	*****	@@	#####
!!!	!!!	*****	@@	#####
!!!	!!!	*****	@@	#####
!!!	!!!	*****	@@	#####
!!!	!!!	*****	@@	#####
!!!	!!!	*****	@@	#####
!!!	!!!	*****	@@	#####
!!!	!!!	*****	@@	#####
!!!	!!!	*****	@@	#####
!!!	!!!	*****	@@	#####

The following is added to the Contractors Special Property Coverage form **Loss Payment** Loss Condition, as shown in the Declarations or by an "A," "B" or "C" in the Schedule:

A. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

B. LENDER'S LOSS PAYABLE

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor (including a mortgageholder or trustee) with whom you have entered a contract for the sale of Covered Property, whose interest in that Covered Property is established by such written contracts as:
 - a. Warehouse receipts;
 - b. A contract for deed;

- c. Bills of lading; or
- d. Financing statements.

2. For Covered Property in which both you and a Loss Payee have an insurable interest:

- a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
- b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure for similar action on the Covered Property.
- c. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - (1) Pays any premium due under this policy at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of the Contractors Special Property Coverage form will then apply directly to the Loss Payee.

- d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and

- (2) The Loss Payee's right to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:

- a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

- b. 30 days before the effective date of cancellation if we cancel for any other reason.

4. If we do not renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

C. CONTRACT OF SALE

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.

2. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:

- a. Adjust losses with you; and

- b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

3. The following is added to the **OTHER INSURANCE CONTRACTORS COMMON POLICY CONDITIONS**:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUILDING COVERAGE FOR BUILDING OWNER ENDORSEMENT

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY

As respects Building coverage, the Named Insured is amended to include the following:

<u>Premises No.</u>	<u>Building No.</u>	<u>Named Insured</u>
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET PROPERTY INSURANCE

This endorsement modifies insurance provided under the following:

CONTRACTORS SPECIAL PROPERTY COVERAGE

- A.** Paragraph **C.1. Limits of Insurance** in the Contractors Special Property Coverage Form is deleted and replaced by the following:
 - 1.** The most we will pay for loss or damage in any one occurrence is the sum of all the Limits of Insurance shown on the Declarations for Coverage **A.1.a.** Buildings and Coverage **A.1.b.** Business Personal Property.
- B.** This endorsement does not apply to covered losses caused by or resulting from:
 - 1.** Earthquake, or
 - 2.** Volcanic Eruption.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY

This endorsement applies only when indicated on the Declarations for a described premises.

- A.** We will not pay under this endorsement for the costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

B. COVERAGE

1. Coverage 1 – Coverage for Loss to the Undamaged Portion of the Building

If a Covered Cause of Loss occurs to covered Building property, we will pay under Coverage 1 for the loss in value of the undamaged portion of the building as a consequence of enforcement of any ordinance or law that:

- a.** Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- b.** Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- c.** Is in force at the time of loss.

Coverage 1 is included within the Limit of Insurance shown in the Declarations as applicable to the covered Building property. Coverage 1 does not increase the Limit of Insurance.

2. Coverage 2 – Demolition Cost Coverage

If a Covered Cause of Loss occurs to covered Building property, we will pay the cost to demolish and remove debris of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

Paragraph **E.6.d.** of the **PROPERTY LOSS CONDITIONS** does not apply to Demolition Cost Coverage.

3. Coverage 3 – Increased Cost of Construction Coverage

If a Covered Cause of Loss occurs to the covered Building property, we will pay for the increased cost to:

- a.** Repair or reconstruct damaged portions of that Building property; and/or
- b.** Reconstruct or remodel undamaged portions of that Building property, whether or not demolition is required;

when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

- a.** This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- b.** We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

Paragraph **E.6.d.** of the **PROPERTY LOSS CONDITIONS** does not apply to the Increased Cost of Construction Coverage.

4. Coverage 4 – Ordinance or Law – Increased Period of Restoration

If a Covered Cause of Loss occurs to covered property, we will pay for the actual loss of Business Income you sustain as a consequence of enforcement of any ordinance or law that:

- a.** Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- b.** Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

- c. Is in force at the time of loss.

C. LOSS PAYMENT

1. Loss to the building, including loss in value of the undamaged portion of the building due to enforcement of an ordinance or law, will be determined as follows:
 - a. If the property is repaired or replaced on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The Limit of Insurance shown in the Declarations as applicable to the covered Building property.
 - b. If the property is not repaired or replaced, we will not pay more than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Limit of Insurance shown in the Declarations as applicable to the covered Building property.
2. Loss payment under Coverage 2 – Demolition Cost Coverage will be determined as follows:

We will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
3. Loss payment under Coverage 3 – Increased Cost of Construction Coverage will be determined as follows:

- a. We will not pay under Coverage 3:

- (1) Until the property is actually repaired or replaced, at the same or another premises; and
- (2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage 3 is the increased cost of construction at the same premises.
- c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage 3 is the increased cost of construction at the new premises.

- D. The terms of this endorsement apply separately to each building to which this endorsement applies.

- E. The following is added to the “Period of Restoration” definition:

“Period of Restoration includes any increased time period required to repair or reconstruct the property to comply with the minimum standards of any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of any property.

- F. Under this endorsement, we will not pay for loss due to any ordinance or law that:

1. You were required to comply with before the loss, even if the building was undamaged; and
2. You failed to comply with.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION — DAMAGE TO PREMISES RENTED TO YOU

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY

- A. The first exception ("Paragraphs **(1)**, **(3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer days. A separate limit of insurance applies to Damage To Premises Rented To You as described in section **D – LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE.** ") of Paragraph **B.1.j. EXCLUSIONS** in the Contractors General Liability Coverage is deleted.
- B. The last paragraph ("Exclusions **c.**, **d.**, **e.**, **f.**, **g.**, **h.**, **i.**, **j.**, **k.**, **l.**, **m.** and **n.** do not apply to damage by fire, explosion or smoke to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in section **D., LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE.**") of Paragraph **B.1. EXCLUSIONS** in the Contractors General Liability is deleted.
- C. Paragraph **7.** of **D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE** is deleted.
- D. Any reference in the Declarations to "Damage To Premises Rented To You" is deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION — MEDICAL EXPENSES COVERAGE

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY

Medical Expenses coverage is deleted and none of the references to it in this policy apply.

The following is added to Coverage Extension – Supplementary payments:

- (8)** Expenses incurred by the insured for first aid to others at the time of an accident for “bodily injury” to which this insurance applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF ADDITIONAL INSUREDS

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY

SCHEDULE*

Name and Address of Additional Insured	Interest
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The persons or organizations shown in the Schedule are included as insureds as provided by paragraph **C.5** of **WHO IS AN INSURED** of Contractors Liability Coverage. Coverage provided each such insured is only with respect to liability arising out of their interest as described above.

*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION — ALL HAZARDS IN CONNECTION WITH DESIGNATED PREMISES

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY

SCHEDULE*

Description and Location of Premises:

The insurance afforded by Contractors Liability Coverage does not apply to “bodily injury”, “property damage” or “personal and advertising injury” arising out of:

- A.** The ownership, maintenance or use of the premises shown in the Schedule or any property located on these premises;
- B.** Operations on those premises or elsewhere which are necessary or incidental to the ownership, maintenance or use of those premises; or
- C.** Goods or products manufactured at or distributed from those premises.

*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL PERSONS INSURED — EMPLOYEE BODILY INJURY TO ANOTHER EMPLOYEE

This endorsement modifies insurance provided under the following:

CONTRACTORS GENERAL LIABILITY COVERAGE

Paragraph **C. WHO IS AN INSURED** of the Contractors General Liability Coverage is amended as follows:

A. Paragraph **2.a.(1)** is deleted and replaced with the following:

(1) "Bodily injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company);

(b) For which there is any obligation to share damages with or repay someone else who must pay damages of the injury described in paragraph **(1)(a)** above; or

(c) Arising out of his or her providing or failing to provide professional health care services.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE BENEFIT LIABILITY COVERAGE

THIS ENDORSEMENT PROVIDES CLAIMS – MADE COVERAGE.

This endorsement modifies insurance provided under the following:

CONTRACTORS GENERAL LIABILITY COVERAGE

The following provisions apply to the coverage provided by this endorsement.

- I. Section A. **Coverages**, other than paragraph 1.f. **Coverage Extension — Supplementary Payments**, is deleted and replaced by the following:

A. COVERAGE

1. We will pay those sums that the insured becomes legally obligated to pay as a result of damages sustained by:

- a. An employee,
- b. A prospective employee, or
- c. A former employee

of the insured, or their beneficiaries or legal representatives, in the “administration” of the insured’s “Employee Benefit Programs”. We will have the right and duty to defend any “suit” seeking those damages. We may at our discretion investigate any negligent act, error or omission and settle any claim or “suit” that may result. But:

- a. The amount we will pay for damages is limited as described in section D. **LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE**; and
- b. Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under the **Coverage Extension — Supplementary Payments**.

2. This insurance applies to damages only if the claim is made or “suit” is brought against the insured for:

- a. Negligent acts, errors or omissions which occur during the policy period and then only if the claim is made or “suit” is brought:

- (1) During the policy period; or
- (2) Within one year after the end of the policy period.

If, during the policy period, the insured shall have knowledge or become aware of any negligent act, error or omission and shall, during the policy period, give written notice thereof to us, then that notice shall be considered a claim under this Insurance.

- b. Negligent acts, errors or omissions which occurred before the policy period, but only if, during the policy period, you first have knowledge of or can reasonably foresee any circumstances which might result in a claim or “suit” and you give written notice of the information to us in accordance with the **Duties in the Event of Occurrence, Claim or Suit** condition.

3. A claim by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:

- a. When notice of such claim is received and recorded by any insured or by us; or
- b. When we make settlement in accordance with paragraph 1.a. above.

All claims for damages to the same person or organization as a result of a negligent act, error or omission will be deemed to have been made at the time the first of those claims is made against any insured.

II. Section **B. EXCLUSIONS** is deleted and replaced by the following:

B. EXCLUSIONS

This insurance does not apply to:

1. Any dishonest, fraudulent, criminal, or malicious act, libel, slander, discrimination or humiliation.
2. "Bodily Injury" or "property damage".
3. Any claim based upon the insured's failure to comply with any law concerning workers compensation, unemployment compensation, Social Security or disability benefits.
4. Any claim based upon:
 - a. Failure of stock to perform as represented by an insured;
 - b. Advice given by an insured to an employee to participate or not to participate in stock subscription plans; or
 - c. The investment or non-investment of funds.
5. Any claim for failure of performance of contract by any employer, including failure of any "Employee Benefit Programs".
6. Any liability arising out of any violation(s) of any provision(s) of the Employee Retirement Income Security Act of 1974, Public Law 93-406 (commonly referred to as the Pension Reform Act of 1974) or any amendment thereto.

III. Section **C. WHO IS AN INSURED** is deleted and replaced by the following.

C. WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. An organization other than a partnership or a joint venture, you are an insured. Your executive officers and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

2. Any of your employees is an insured, but only if such person is authorized to act in the "administration" of the insured's "Employee Benefit Programs".

IV. Section **D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE** is deleted and replaced by the following:

D. LIMIT OF INSURANCE

1. The limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or Organizations making claims or bringing "suits".
2. The Aggregate Limit is the most we will pay for the sum of all damages under this Coverage.
3. Subject to 2. above, the Each Claim Limit is the most we will pay for the sum of all damages under this Coverage arising out of all acts or omissions in connection with the same professional service regardless of the number of claims or claimants.

The limits of this Coverage apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

4. Our obligation under this insurance to pay damages on your behalf applies only to the amount of damages in excess of the deductible amount shown in the Declarations for this Coverage. The limit of insurance applicable to each claim will be reduced by the deductible amount. Aggregate limits shall not be reduced by the application of the deductible amount.

The terms of this insurance apply irrespective of the application of the deductible amount.

We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

V. Section **E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS**, paragraph 2. **Duties in the Event of Occurrence, Claim or Suit** is deleted and replaced by the following:

E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

2. Duties in the Event of Occurrence, Claim or Suit

- a. You must see to it that we are notified as soon as practicable of any negligent act, error or omission which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the negligent act, error or omission took place;
 - (2) The names and addresses of injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the negligent act, error or omission.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as possible.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation, settlement or defense of the claim or "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liability to the insured because of injury or damage to which the insurance may also apply.
- d. No insureds, will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

VI. The following are added to the section **F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS**:

- 1. "Administration" means:
 - a. Giving counsel to employees respecting "Employee Benefit Programs";
 - b. Interpreting the "Employee Benefit Programs";
 - c. Handling records in connection with the "Employee Benefit Programs"; or
 - d. Effecting enrollment, termination or cancellation of employees under "Employee Benefit Programs";Provided all such acts are authorized by you.
- 2. "Employee Benefits Programs" means group life insurance, group health insurance, profit sharing plans, pension plans, employee stock subscription plans, workers' compensation, unemployment insurance, social security, disability benefits insurance and travel, savings or vacation plans.

VII. Section **H., OTHER INSURANCE** of the **CONTRACTORS COMMON POLICY CONDITIONS**, is deleted and replaced by the following:

H. OTHER INSURANCE

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage, our obligations are limited as follows:

- 1. This insurance is excess over any of the other insurance, except for other insurance bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of the Coverage.
- 2. When this insurance is excess, we will have no duty to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- 3. When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
 - a. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - b. The total of all deductible and self-insured amounts under all that other insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED POLLUTION COVERAGE — WORK SITES

This endorsement modifies insurance provided under the following:

CONTRACTORS GENERAL LIABILITY COVERAGE

A. The following is added to section A. COVERAGES:

4. Limited Pollution Coverage

- a. We will pay those sums that the insured becomes legally obligated to pay:

(1) As damages because of:

(a) "bodily injury"; or

(b) "property damage";

(2) As "clean-up costs" because of "environmental damage" which directly results from physical injury to tangible property;

to which this insurance applies. We will have the right and duty to defend any "suit" seeking those damages. We may at our discretion investigate any "pollution incident" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages and "clean-up costs" is limited as described in section **D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE** of this endorsement; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments, settlements, or "clean-up costs".

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under section **A. COVERAGES, 1.f., COVERAGE EXTENSION — SUPPLEMENTARY PAYMENTS**.

- b. This insurance applies to "bodily injury", "property damage" and "environmental damage" only if:

(1) The "bodily injury", "property damage" or "environmental damage" arises out of a "pollution incident":

(a) on or from "your work site" in the "coverage territory";

(b) that is demonstrable as beginning and ending within 72 hours; and

(c) that is accidental.

(2) The "bodily injury", "property damage" or "environmental damage" occurs during the policy period.

c. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

d. Coverage **Extension — Supplementary Payments** applies to **Limited Pollution Coverage** as well as **Contractors Liability** as found under section **A. COVERAGES 1.f.**

B. Section B — EXCLUSIONS is amended as follows:

1. Paragraph B.3. is deleted and replaced by:

a. **Applicable to Contractors Liability Coverage, Medical Expenses Coverage, Supplemental Property Damage Coverage and Limited Pollution Coverage — Nuclear Energy Liability Exclusion and Limited Pollution Coverage**

This insurance does not apply:

(1) Under Contractors Liability Coverage, Supplemental Property Damage Coverage or Limited Pollution Coverage to "bodily injury" or "property damage":

(a) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

- (b) Resulting from "hazardous properties" of "nuclear material" and with respect to which:
 - (i) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (ii) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into the United States of America, or any agency thereof, with any person or organization.
- (2) Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
- (3) Under Contractors Liability Coverage, Supplemental Property Damage Coverage or Limited Pollution Coverage to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:
 - (a) The "nuclear material":
 - (i) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
 - (ii) Has been discharged or dispersed therefrom;
 - (b) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (c) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.

As used in this exclusion:

"By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear facility" means:

- (1) Any "nuclear reactor";
- (2) Any equipment or device designed or used for:
 - (a) Separating the isotopes of uranium or plutonium;
 - (b) Processing or utilizing "spent fuel"; or
 - (c) Handling, processing or packaging "waste";
- (3) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

And includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"Nuclear material" means "source material", "special nuclear material" or "by-product material";

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"Property damage" includes all forms of radioactive contamination of property.

"Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

"Waste" means any waste material:

- (1) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and
- (2) Resulting from the operation by any person or organization of any "nuclear facility" included under Paragraphs (1) and (2) of the definition of "nuclear facility".

2. The following is added to section B.
EXCLUSIONS:

5. The insurance provided by this endorsement does not apply to:

- a. "Bodily injury", "property damage" or "environmental damage" expected or intended from the standpoint of the insured.
- b. "Bodily injury", "property damage" or "environmental damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
- c. Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.
- d. "Bodily injury" to:
 - (1) An employee of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business.
 - (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies:

- (1) Whether or not the insured may be liable as an employer or in any other capacity; and

- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

e. "Property damage" or "environmental damage" to:

- (1) A "waste facility";
- (2) Property you own, rent or occupy now or at any time in the past;
- (3) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (4) Property loaned to an insured; or
- (5) Personal property in the care, custody or control of an insured.

f. "Bodily injury", "property damage" or "environmental damage" included within the "products-completed operations hazard".

g. "Bodily injury", "property damage" or "environmental damage" arising out of the ownership or operation of any offshore facility as defined in the Outer Continental Shelf Lands Act Amendment of 1978 or the Clean Water Act of 1977 as amended 1978 or any deepwater port as defined in the Deepwater Port Act of 1974 as amended or as may be amended.

h. "Bodily injury", "property damage" or "environmental damage" arising out of the ownership, maintenance, use or entrustment to others or any aircraft, "auto", rolling stock or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion does not apply to "bodily injury", "property damage" or "environmental damage" arising out of the operation of any of the equipment listed in paragraph f.(2) or f.(3) of the definition of "mobile equipment" in section F. **LIABILITY AND MEDICAL EXPENSES DEFINITIONS.**

i. "Bodily injury", "property damage" or "environmental damage" arising out of the emission, discharge, release or escape of drilling fluid, oil, gas or other fluids from any oil, gas, mineral, water or geothermal well.

- j. "Bodily injury", "property damage" or "environmental damage" arising out of a "pollution incident" which results from or is directly or indirectly attributable to failure to comply with any applicable statute, regulation, ordinance, directive or order relating to the protection of the environment and promulgated by any governmental body, provided that failure to comply is a willful or deliberate act or omission of:
 - (1) Any insured; or
 - (2) You or any of your members, partners or executive officers.
- k. "Bodily injury", "property damage" or "environmental damage" arising out of acid rain.
- l. "Bodily injury", "property damage" or "environmental damage" arising out of:
 - (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
 - (2) The use of "mobile equipment" in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.
- m. Any loss, cost or expense arising out of any request, demand or order by a governmental body that any insured or others test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants" at any site which is included or proposed for inclusion on a governmental body's clean-up priority list.
- n. "Bodily injury", "property damage" or "environmental damage" arising out of heat, smoke or fumes from a hostile fire.
As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.
- o. Any multiple, punitive or exemplary damages.

- p. "Bodily injury", "property damage" or "environmental damage" on or from any of "your work sites", on which any insured or any contractor or subcontractor working directly or indirectly on any insured's behalf are performing operations if the pollutants are not brought on or to "your work site" by such insured, contractor or subcontractor.

C. Section D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE is amended as follows:

1. Paragraph 1. is replaced by the following.

- 1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. Paragraph 2. is replaced by the following:

- 2. The General Aggregate Limit is the most we will pay for the sum of:

- a. Medical expenses under Medical Expenses Coverage;
- b. Damages under Contractors Liability Coverage, except damages because of injury or damage included in the "products-completed operations hazard"; and
- c. Damages under Limited Pollution Coverage.

The General Aggregate Limit of Insurance applies separately to each of your projects away from the premises owned by or rented to you.

3. The following is added:

- 10.** Subject to **2.** above (the General Aggregate Limit) the Pollution Liability Aggregate Limit is the most we will pay for the sum of:

- a. All damages because of all "bodily injury" and "property damage"; and
- b. All "clean-up costs" incurred because of all "environmental damage".

- 11.** Subject to **2.** above (the General Aggregate Limit) and **10.** above (the Pollution Liability Aggregate Limit) the Each Pollution Incident Limit is the most we will pay for:

- a. All damages because of all "bodily injury" and "property damage"; and
- b. All "clean-up costs" incurred because of all "environmental damage";

Arising out of any one "pollution incident".

D. The following definitions are added to section F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS;

- 1. "Clean-up costs" means expenses for the removal or neutralization of "pollutants".
- 2. "Environmental damage" means the injurious presence of "pollutants" in or upon land, the atmosphere, or any water course or body of water.
- 3. "Pollution incident" means the actual or alleged emission, discharge, release or escape of "pollutants" from "your work site" provided that such emission, discharge, release or escape results in "environmental damage". All "bodily injury", "property damage" and "environmental damage" arising out of one emission, discharge, release or escape shall be deemed to be one "pollution incident".
- 4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

5. "Waste facility" means any site to which waste from the operations of "your work site" is legally consigned for delivery or delivered for storage, disposal, processing or treatment, provided that such site is not and never was owned by, or rented or loaned to you.

6. "Your work site" means any site or location on which you or any contractors or subcontractors working directly or indirectly on your behalf are working. "Your work site" does not include any premises, site or location which currently is or was, at the time you or any contractors subcontractors working directly or indirectly on your behalf were working on such premises, site or location, owned or occupied by or rented or loaned to you.

E. Section H. OTHER INSURANCE, of the CONTRACTORS COMMON POLICY CONDITIONS is amended as follows:

All references to Contractors Liability Coverage are amended to read Contractors Liability Coverage or Limited Pollution Coverage.

THIS IS A CLAIMS MADE COVERAGE. PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.

CONTRACTOR'S ERRORS AND OMISSIONS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

CONTRACTORS GENERAL LIABILITY COVERAGE

The following provisions apply to the coverage provided by this endorsement:

SECTION I – COVERAGE

A. Insuring Agreement

1. We will pay all sums the insured becomes legally obligated to pay as damages because of faulty workmanship, faulty design, or faulty or defective products or materials including resulting consequential loss.

The damages must have resulted from the insured's negligent act, error, or omission while acting in your business capacity as described in the Declarations, or from a defect in material or in a product sold or installed by the insured while acting in this capacity. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any incident and settle any claim or "suit" that may result. But:

- a. The amount we will pay for damages is limited as described in **LIMITS OF INSURANCE (SECTION II)**; and
- b. Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SUPPLEMENTARY PAYMENTS**.

2. This policy applies to all claims made or "suits" brought against the insured for:
 - a. Negligent acts, errors, omissions or defects which occur within the "coverage territory" and during the policy period and then only if a claim is made or "suit" is brought;

- (1) During the policy period; or
- (2) Within three years after the end of the policy period;

in accordance with paragraph 3. below.

- b. Negligent acts, errors, omissions or defects which occur within the "coverage territory" and before the policy period, but only if:

- (1) During the policy period, you first have knowledge of or can reasonably foresee any circumstances which might result in a claim or "suit" and you give notice of the information to us in accordance with Condition 2. **(Duties In The Event Of Negligent Act, Error, Omission, Defect, Claim Or Suit)**; and

- (2) There is no other insurance applicable to the negligent act, error, omission or defect.

3. A claim by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:

- a. When an insured reports to us an incident or circumstance that may lead to a claim or "suit" in compliance with Condition 2. **(Duties in the Event of Negligent Act, Error, Omission, Defect, Claim or Suit)**;
- b. When notice of such claim is received in writing by any insured, or by us, whichever comes first; or
- c. When we make settlement in accordance with paragraph 1. above.

All claims of damages to the same person, including damages claimed by any person or organization will be deemed to have been made at the time the first of these claims were made against any insured.

B. Exclusions

This insurance does not apply to:

1. Architectural, Drafting or Engineering Services

- a. Any liability arising out of rendering or failure to render any architectural, drafting or engineering services including:
 - (1) The preparation or approval of maps, plans, opinions, reports, surveys, designs or specifications; and
 - (2) Supervisory, inspection or engineering services.
- b. Any liability for hiring independent professionals to provide any architectural, drafting or engineering services in connection with any construction work you perform.

However, this exclusion shall not apply to claims arising from the architectural, engineering or drafting services provided by the insured or the insured's employees if such services are provided only for work contracted for or completed by the insured or the insured's employees.

2. Bankruptcy

Any liability arising out of your bankruptcy or insolvency.

3. Bodily Injury, Personal and Advertising Injury

- a. Bodily injury, sickness, or disease, including death resulting therefrom; and
- b. "Personal and advertising injury".

4. Bridges and Dams

Activities in connection with

- a. Bridges exceeding 150 feet in length; or
- b. Dams.

5. Business Practices

Any liability arising out of actual or alleged:

- a. Infringement of copyright, trademark or patent;
- b. Unfair competition;
- c. Piracy; or
- d. Theft or wrongful taking of concepts or intellectual property.

6. Contractual Liability

Any obligation to pay damages due to the insured's assumption of liability of others in a contract or agreement whether oral or written. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

7. Damage To Property

Liability for damage to property owned by, rented or leased to the insured.

8. Delay or Failure to Complete

Liability arising out of any:

- a. Delay or failure to complete a contract or project; or
- b. Failure to complete a contract or project on time.

9. Estimates

Any liability because of:

- a. An error or omission in the preparation of estimates of
 - (1) Probable job costs;
 - (2) Profit or return on capital.
- b. Cost estimates being exceeded.

10. Financing and Legal Work

Any liability because of an error or omission in advising or failing to advise on:

- a. Financing of the work or project;
- b. Any legal work, title verification, insurance coverage, or suretyship.

11. Intentional Injury

Liability for damages from dishonest, fraudulent, criminal or malicious acts intentionally committed by any insured or which is expected or intended by the insured, even if the damage is of a different type or degree than actually expected or intended.

12. Manufacturer's Warranties

Any liability arising out of manufacturer's warranties or guarantees, whether express or implied.

13. Non-Compensatory Damages

- a. Claims alleging, arising out of, based upon, or attributable to any proceeding whether civil, criminal or administrative in which the relief sought is other than monetary damages, including but not limited to proceedings seeking injunctive relief, declaratory relief, or other equitable remedies, or those arising out of any kind of criminal proceedings; or
- b. Civil or criminal fines imposed by law, punitive or exemplary damage or any type of non-compensatory damages, the multiplied portion of multiplied damages, taxes, any amount for which an insured is not financially liable, or amounts deemed uninsurable by law.

14. Pollution

- a. Liability arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants".
- b. Any loss, cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
 - (2) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

- c. This exclusion does not apply to damages caused by heat, smoke or fumes from a "hostile fire" at or from any site on which you or any contractors or subcontractors worked directly or indirectly on your behalf were performing operations, if the pollutants were brought on or to the site or location in connection with such operations.

15. Prior Acts

Any liability arising from negligent acts, errors, omissions or defects that were committed or existed prior to the effective date of the first consecutive Contractors Errors and Omissions Coverage issued by us if:

- a. There is other insurance applicable; or
- b. The insured knew or should have reasonably foreseen that such negligent act, error, omission or defect might be the basis of a claim or "suit".

16. Prior to Completion of Your Work

Any liability for damages occurring before you have completed "your work". "Your work" will be deemed completed at the earliest of the following times:

- a. When all of the work called for in your contract or work order has been completed.

- b. When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
- c. When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

17. Profit

Any claim for your loss of profit or expected profit.

18. Related Enterprises and Joint Ventures

Any liability for claims or "suits" against the insured:

- a. By a business enterprise (or its assignees) which is wholly or partly owned, operated or managed by the insured, or which has directly or indirectly any interest in the ownership or management of the named insured.
- b. Arising out of services performed by or on behalf of a joint venture of which the insured is a member unless that joint venture is specifically endorsed to this coverage.

19. Subcontracted Work

Any liability for damage to "your work" if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

20. Substitutions

Any liability arising from a decision to substitute a material or product for one specified on blueprints, work orders, contracts or engineering specifications unless there has been written authorization.

21. Waiver of Right of Action

Any liability for claims or "suits" if the right of action against the insured has been relinquished or waived.

C. SUPPLEMENTARY PAYMENTS

We will pay, with respect to any claim we investigate or settle or any "suit" against an insured we defend:

- 1. All expenses we incur.
- 2. The cost of bonds to release attachments, but only for bond amounts within the limit of insurance. We do not have to furnish these bonds.
- 3. The cost of bonds to appeal a judgment or award in any claim we defend and agree to appeal but only for bond amounts within the limit of insurance. We do not have to furnish these bonds.

4. All reasonable expenses incurred by the insured at our request to assist us in the investigation of claim or "suit" including actual loss of earnings up to \$250 a day because of time off from work.
5. All costs taxed against the insured in the "suit".
6. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
7. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

SECTION II – LIMITS OF INSURANCE

A. Deductible Clause

1. Our obligation to pay damages on your behalf applies only to the amount of damages in excess of \$500. The Limits of Insurance will not be reduced by the application of this deductible amount.
2. Condition 2. (**Duties in the Event of Negligent Act, Error, Omission, Defect, Claim or Suit**) applies to each claim or suit irrespective of the amount.
3. We may pay any part or all of the deductible amount to effect settlement of any claim or suit and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

B. Amount Payable By Us and Our Limit of Insurance

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds,
 - b. Claims made or "suits" brought, or
 - c. Persons or organizations making claims or bringing "suits".

The most we will pay as the result of any one claim is the Each Claim Limit shown in the Declarations. Any claim or aggregation of "claims" resulting from one negligent act, error, omission or defect will be considered one claim.
2. Subject to 1. above, the most we will pay as the result of all claims under this policy is the Aggregate Limit shown in the Declarations.

3. For errors in contract or job specifications or in recommendations of products or materials to be used, this policy will not pay for additional costs of products and materials to be used that would not have been incurred had the correct recommendations or specifications been made.
4. We will pay:
 - a. The actual cost of repairs if the repairs are made by others; or
 - b. 80% of 1) your normal and customary labor charges and 2) your retail cost of materials if you make the repairs.
5. The Limits of Insurance of the Coverage apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION III – ADDITIONAL CONDITIONS

- A. Condition 2. (**Duties in the Event of Occurrence, Offense, Claim or Suit**) of the **LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS** is deleted and replaced by the following
 2. **Duties in the Event of Negligent Act, Error, Omission, Defect, Claim or Suit**
 - a. You must see to it that we are notified in writing as soon as practicable of any acts, errors, omissions, or defects you become aware of which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the act, error, omission or defect took place; and
 - (2) The nature and location of any damages arising out of an act, error, omission or defect.
 - b. If a claim is received by any insured, you must:
 - (1) Immediately record the specifics of the claim and the date received; and
 - (2) Notify us in writing as soon as practicable.
 - c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

- (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation, or settlement of the claim or defense against the "suit";
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply; and
 - (5) Attend hearings and trials, assist in effecting settlements, securing and giving evidence and obtaining the attendance of witnesses in the conduct of suits.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

B. Condition H. (OTHER INSURANCE) of the CONTRACTORS COMMON POLICY CONDITIONS is deleted and replaced by the following:

H. OTHER INSURANCE

If all or part of a claim is also insured:

- a. Under any other prior or current policy other than a policy issued by us or any company affiliated with us, then this insurance is excess over that other insurance, whether primary, excess, contingent or on any other basis, unless that other insurance was bought specifically to apply in excess of this Coverage Part.

When this Coverage is excess, we will have no duty to defend any claim when any other insurer has that duty. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

- b. Under any other policy or Coverage Form issued by us or any company affiliated with us, by acceptance of this Coverage by the first Named Insured on behalf of itself and all other insureds agrees that no other coverage shall apply to such claim under such other policy or Coverage Form.

SECTION IV - DEFINITIONS

A. Definition 4. (Coverage Territory) of the LIABILITY AND MEDICAL EXPENSES DEFINITIONS is deleted and replaced by the following:

- 4. "Coverage Territory" means anywhere in the world provided the original suit is brought against the insured within the United States of America (including its territories and possessions), Puerto Rico or Canada;

B. "Suit" means a civil proceeding in which damages because of claims to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent;
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent; or
- c. An appeal of a civil proceeding.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PESTICIDE OR HERBICIDE APPLICATOR COVERAGE

This endorsement modifies insurance provided under the following:

CONTRACTORS GENERAL LIABILITY COVERAGE

A. With respect to your landscape gardening and lawn care services operations, paragraph **(1)(d)** of Exclusion **f. (Pollution)** does not apply if the operations meet all standards of any statute, ordinance, regulation, or license requirement of any federal, state or local government which apply to those operations.

B. Limits of Insurance

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds,
 - b. Claims made or "suits" brought, or
 - c. Persons or organizations making claims or bringing "suits".

The most we will pay as the result of any one claim is the Each Claim Limit shown in the Declarations. Any claim or aggregation of "claims" resulting from one negligent act, error, omission or defect will be considered one claim.

2. Subject to 1. above, the most we will pay as the result of all claims under this policy is the Aggregate Limit shown in the Declarations.

These are not additional Limits of Insurance and these Limits of Insurance will not increase our Liability and Medical Expenses Limits of Insurance under Contractors General Liability Coverage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXTERIOR INSULATION AND FINISH SYSTEM EXCLUSION

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY

The following is added to the **Contractors Liability** Coverage Exclusions:

This insurance does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" caused directly or indirectly, in whole or in part, by the design, manufacture, construction, fabrication, preparation, installation, application, maintenance or repair, including remodeling, service, correction, or replacement, of an "exterior insulation and finish system" or any part thereof, or any substantially similar system or any part thereof, including the application or use of conditioners, primers, accessories, flashings, coatings, caulking or sealants in connection with such a system; or
2. Any moisture-related or dry rot-related "property damage" to a house or other building to which an "exterior insulation and finish system" has been applied, if that "property damage" is caused directly or indirectly, in whole or in part, by the "exterior insulation and finish system";

Regardless of any other cause or event that contributed concurrently or in any sequence to that injury or damage.

For the purposes of this endorsement, an "exterior insulation and finish system" means an exterior cladding or finish system applied to a house or other building, and consisting of:

- a. A rigid or semi-rigid insulation board made of expanded polystyrene or other materials; and
- b. The adhesive and/or mechanical fasteners used to attach the insulation board to the substrate; and
- c. A reinforcing mesh that is embedded in a base coat applied to the insulation board; and
- d. A finish coat providing surface texture and color.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

CONTRACTORS GENERAL LIABILITY COVERAGE

A. The following exclusion is added to the **Contractors Liability Coverage Exclusions:**

This insurance does not apply to:

FUNGI OR BACTERIA

- a.** "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b.** Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

B. The following exclusions are added to **Exclusion B.1.o. Personal and Advertising Injury:**

FUNGI OR BACTERIA

- a.** This insurance does not apply to "personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, contact with, exposure to, existence of, or presence of, and "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b.** This insurance does not apply to any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

C. The following definition is added to the **LIABILITY AND MEDICAL EXPENSES DEFINITIONS Section:**

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents, or byproducts produced or released by fungi.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION — LEAD LIABILITY

This endorsement modifies insurance provided under the following:

CONTRACTORS GENERAL LIABILITY COVERAGE

The following is added to Paragraph **B. Exclusions** in the Contractors General Liability Coverage:

Lead Liability

- a.** This insurance does not apply to any liability, loss, cost or expense:
 - 1.** For injury or damage arising out of the actual, alleged or threatened ingestion, inhalation or absorption of lead into a person;
 - 2.** For damage to, loss of use of, or reduction in the value of a building or any property due to the actual or alleged presence of lead;
 - 3.** Arising out of the removal or Abatement of lead from any building or from any property;
 - 4.** Arising out of the encapsulation or containment of lead within a building;
 - 5.** Arising out of any request, demand or order that any insured or other test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of lead; or
 - 6.** Arising out of any claim or suit by or on behalf of a government authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effect of lead.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED ENDORSEMENT — SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

CONTRACTORS GENERAL LIABILITY COVERAGE

SCHEDULE

Name of Person or Organization

The following is added to Section **C. — (WHO IS AN INSURED)**:

7. The person or organization named in the Schedule above (called additional insured).

The following additional provisions apply to the coverage described above:

a. Limitations

The insurance provided to the additional insured is limited as follows:

- (1) That person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part, by:

- (a) Your acts or omissions; or
- (b) The acts or omissions of those acting on your behalf.

in the performance of your operations for the additional insured.

- (2) The insurance provided to the additional insured does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or failure to render, any professional architectural, engineering or surveying services, including:

- (a) The preparing, approving, or failure to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
 - (b) Supervisory, inspection, architectural or engineering activities.
- (3) We have no duty to defend or indemnify an additional insured under this endorsement:
- (a) For any liability due to negligence attributable to any person or entity other than you or those acting on your behalf in the performance of your operations for the additional insured.
 - (b) For any loss which occurs prior to our named insured commencing operations at the location of the loss.
 - (c) Until we receive written notice of a claim or "suit" from the additional insured as required in the **Duties In The Event of Occurrence, Offense Claim or Suit Condition**.

b. Conditions

The **LIABILITY AND MEDICAL EXPENSES CONDITIONS (SECTION E)** and the **CONTRACTORS COMMON POLICY CONDITIONS** are amended as follows:

- (1) The following is added to the **Duties In The Event of Occurrence, Offense, Claim or Suit Condition** of the **LIABILITY AND MEDICAL EXPENSES CONDITIONS (SECTION E)**:

An additional insured under this endorsement will as soon as practicable:

- (a) Give written notice of an occurrence or an offense to us which may result in a claim or "suit" under this insurance;
- (b) Agree to trigger or activate any other insurance which the additional insured has, which is primary, for a loss we cover under this Coverage Part by tendering the defense to the insurers of all such other insurance.

- (2) The following is added to the Paragraph **H. — (OTHER INSURANCE)** of the **CONTRACTORS COMMON POLICY CONDITIONS**:

H. OTHER INSURANCE

7. This insurance is excess over any other insurance naming the additional insured as an insured whether primary, excess, contingent or on any other basis unless the written contract or agreement described in 7. above specifically requires that this insurance be provided on either a primary basis or a primary and noncontributory basis.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY
AGAINST OTHERS TO US —
CONTRACTORS LIABILITY COVERAGE**

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY

SCHEDULE

Name of Person or Organization:

Paragraph 2. of the **TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US** (CONTRACTORS COMMON POLICY CONDITIONS) is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person(s) or organization(s) shown in the Schedule above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF LIMITS FOR MOISTURE RELATED DAMAGE

This endorsement modifies insurance provided under the following:

CONTRACTORS GENERAL LIABILITY COVERAGE PART

MOISTURE RELATED DAMAGE OCCURRENCE LIMIT OF INSURANCE: \$100,000

MOISTURE RELATED DAMAGE AGGREGATE LIMIT OF INSURANCE: \$100,000

A. The following is added to Section D, LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE:

10. Subject to **3.** and **6.** above, the Moisture Related Damage Occurrence Limit is the most we will pay under **Contractors Liability** coverage for damages because of "property damage" that results from or is alleged to consist of, be caused by, arise out of or be aggravated by "moisture related damage". The Moisture Related Damage Occurrence Limit applies regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such "property damage".

11. Subject to **3.** above, the Moisture Related Damage Aggregate Limit is the most we will pay under **Contractors Liability** coverage for damages because of "property damage" that results from or is alleged to consist of, be caused by, arise out of or be aggravated by "moisture related damage" arising out of one or more occurrences. The Moisture Related Damage Aggregate Limit applies regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such "property damage".

B. The following definition is added to the LIABILITY AND MEDICAL EXPENSES DEFINITIONS Section:

"Moisture related damage" means rot, decay, corrosion, or other gradual deterioration, delamination, adhesive or cohesive failure, weakening, or deformation of wood products or other material caused by continuous, prolonged or repeated contact with water or moisture, even if the water or moisture also contains chemical elements other than water.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONTRACTORS EQUIPMENT STANDARD COVERAGE

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY

The following changes are made to the Contractors Equipment Special Coverage:

A. Paragraph **A.3., Covered Causes of Loss**, is deleted and replaced with the following:

3. Covered Causes of Loss

Covered Causes of Loss means the following:

- a.** Fire or lightning;
- b.** Cyclone, tornado or windstorm;
- c.** Aircraft, including loss or damage by objects falling from aircraft;
- d.** Explosion. However, this cause of loss does not include loss caused by internal explosion;
- e.** Collapse of bridges, culverts, tunnels or trestles;
- f.** Collision, upset or overturning of scheduled equipment;
- g.** Collision, derailment or overturning of conveyances while your property is being transported;

- h.** Theft, burglary or robbery, except as limited in the **EXCLUSIONS** section;
- i.** Riot or Civil Commotion, including acts of striking employees, locked-out workers or other persons taking part in labor disturbances;
- j.** Vandalism or Malicious Mischief;
- k.** Stranding, sinking or collision of any transporting ferry. We will also pay for general average or salvage charges for which you are legally liable.

B. Paragraph **B.2. EXCLUSIONS** is amended to include:

- f.** Theft of tools and equipment from any unattended vehicle unless at the time of the theft its windows, doors and components were closed and locked and there are visible signs that the theft was the result of forced entry.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION — INSTALLATION AND CONSTRUCTION COVERAGE

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY

The Installation and Construction Coverage, and any
Declarations references to the coverage are deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CONTRACTORS INLAND MARINE LOSS PAYABLE
PROVISIONS**

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY

SCHEDULE

Description of Covered Property

**Loss Payee
Name and Address**

The following is added to Contractors Inland Marine Conditions **E. LOSS PAYMENT.**

A. LOSS PAYABLE

For Covered Property in which both you and a Loss Payee shown in the Schedule or in the Declarations have insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for "loss" jointly to you and the loss payee, as interests may appear.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

HIRED CONTRACTORS EQUIPMENT

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY — CONTRACTORS EQUIPMENT SPECIAL COVERAGE

A. COVERAGE

If during the policy period you rent or lease “contractors equipment” from others, we will pay for “loss” to such “contractors equipment” if caused by a Covered Cause of Loss.

B. LIMIT OF INSURANCE

The most we will pay for “loss” to hired “contractors equipment” in any one occurrence is the limit of insurance shown in the Declarations.

C. VALUATION

Hired “contractors equipment” will be valued at the least of the following amounts:

1. The actual cash value of the property at the time of loss or damage;
2. The cost of reasonably restoring that property to its condition immediately before loss; or
3. The cost of replacing that property with substantially identical property.

D. DEFINITIONS

“Contractors Equipment” means machinery, tools, and equipment of a mobile nature and used in your construction, erection, installation, or moving activities.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WEIGHT OF LOAD EXTENSION

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY — CONTRACTORS EQUIPMENT SPECIAL COVERAGE

Paragraph **B.2.e.(3)** of the Contractors Equipment
Special Coverage is deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER BACK UP OF SEWERS OR DRAINS

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from water that backs up from a sewer or drain.

However, coverage does not apply to losses resulting from the overflow of water from a sump due to mechanical breakdown or failure of a sump pump.

B. LIMIT OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

C. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$250. We will then pay the amount of loss or damage in excess of \$250, up to the Limit of Insurance.

D. CONDITIONS

This Coverage is subject to all other provisions applicable to the Contractors Special Property Coverage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COINSURANCE WAIVER

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY

Section **E. ADDITIONAL CONDITION** is deleted from
the Contractors Equipment Special Coverage:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREMIUM AUDIT ENDORSEMENT

This endorsement modifies insurance provided under the following:

CONTRACTORS GENERAL LIABILITY COVERAGE

Paragraph **5.b.** of section **E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS** is deleted and replaced by the following:

Premium Audit

- b.** Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. The due date for audit premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES — ~~CANCELLATION AND NONRENEWAL~~

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY

A. Paragraph 2. Appraisal of Section E – Property Loss Conditions in the Contractors Special Property Coverage is replaced by the following:

2. Appraisal

a. If we and you disagree on the value of the property or the amount of loss, either party may make a written request for an appraisal of the loss. However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss appraised. If so agreed, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire.

b. An appraisal decision will not be binding on either party.

c. If there is an appraisal, we will still retain our right to deny the claim.

d. Each party will:

(1) Pay its chosen appraiser; and

(2) Bear the other expenses of the appraisal and umpire equally.

B. Paragraph 4.b. Legal Action Against Us of Section E – Property Loss Conditions in the Contractors Special Property Coverage is replaced by the following:

4.b. The action is brought within the time allow by law after the date on which the direct physical loss or damage occurred.

C. Condition M. Legal Action Against Us in the Contractors Inland Marine Conditions is replaced by the following:

M. The action is brought within the time allow by law after the date on which the direct physical loss or damage occurred.

D. Paragraph 5. of the Cancellation in the Contractors Common Policy Conditions is replaced by the following:

5.a. If this policy is cancelled, we will send the first Named Insured any premium refund due.

b. We will refund the pro rata unearned premium if the policy is:

(1) Cancelled by us or at our request;

(2) Cancelled but rewritten with us or in our company group;

(3) Cancelled because you no longer have an insurable interest in the property or business operation that is the subject of this insurance; or

(4) Cancelled after the first year of a pre-paid policy that was written for a term of more than one year.

c. If the policy is cancelled at the request of the first Named Insured, other than a cancellation described in **b.(2), (3) or (4)** above, we will refund 90% of the pro rata unearned premium. However, the refund will be less than 90% of the pro rata unearned premium if the refund of such amount would reduce the premium retained by us to an amount less than the minimum premium for this policy.

d. The cancellation will be effective even if we have not made or offered a refund.

e. If the first Named Insured cancels the policy, we will retain no less than \$100 of the premium, subject to the following:

(1) We will retain no less than \$250 of the premium for the Equipment breakdown Coverage Part.

(2) We will retain the premium developed for any annual policy period for the General Liability Classifications, if any, shown in the Declarations.

E. The following is added to the **Cancellation** in the Contractors Common Policy Conditions:

7. Cancellation Of Policies In Effect More Than 60 Days

- a. If this policy has been in effect more than 60 days or is a renewal policy, we may cancel only for one or more of the following reasons:
 - (1) Nonpayment of premium;
 - (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
 - (3) The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
 - (4) Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or its occupancy which substantially increases any hazard insured against under the policy;
 - (5) Nonpayment of membership dues in those cases where our by-laws, agreements or other legal instruments require payment as a condition of the issuance and maintenance of the policy; or
 - (6) A material violation of a material provision of the policy.
- b. Subject to Paragraph 7.c., if we cancel for:
 - (1) Nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Insured and any lienholder or loss payee named in the policy at least 10 days before the effective date of cancellation.
 - (2) Any other reason, we will mail or deliver notice of cancellation to the first Named Insured and any lienholder or loss payee named in the policy at least 20 days before the effective date of cancellation.

F. The following Condition is added and supersedes any other provision to the contrary:

NONRENEWAL

1. If we decide not to renew this policy, we will mail to the first Named Insured shown in the Declarations, and to any lienholder or loss payee named in the policy, written notice of nonrenewal at least 60 days before:
 - a. Its expiration date; or
 - b. Its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.However, we are not required to send this notice if nonrenewal is due to the first Named Insured's failure to pay any premium required for renewal.
2. We will mail our notice to the first Named Insured's mailing address last known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY

A. Paragraph 2. Appraisal of Section E – Property Loss Conditions in the Contractors Special Property Coverage is replaced by the following:

2. Appraisal

- a. If we and you disagree on the value of the property or the amount of loss, either party may make a written request for an appraisal of the loss. However, an appraisal will be made only if both we and you agree, voluntarily, to have the loss appraised. If so agreed, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire.
- b. An appraisal decision will not be binding on either party.
- c. If there is an appraisal, we will still retain our right to deny the claim.
- d. Each party will:
 - (1) Pay its chosen appraiser; and
 - (2) Bear the other expenses of the appraisal and umpire equally.

B. Paragraph 4.b. Legal Action Against Us of Section E – Property Loss Conditions in the Contractors Special Property Coverage is replaced by the following:

- 4.b.** The action is brought within the time allow by law after the date on which the direct physical loss or damage occurred.

C. Condition M. Legal Action Against Us in the Contractors Inland Marine Conditions is replaced by the following:

- M.** The action is brought within the time allow by law after the date on which the direct physical loss or damage occurred.

D. Paragraph 5. of the Cancellation in the Contractors Common Policy Conditions is replaced by the following:

- 5.a.** If this policy is cancelled, we will send the first Named Insured any premium refund due.

- b.** We will refund the pro rata unearned premium if the policy is:

- (1) Cancelled by us or at our request;
- (2) Cancelled but rewritten with us or in our company group;
- (3) Cancelled because you no longer have an insurable interest in the property or business operation that is the subject of this insurance; or
- (4) Cancelled after the first year of a pre-paid policy that was written for a term of more than one year.

- c.** If the policy is cancelled at the request of the first Named Insured, other than a cancellation described in **b.(2), (3) or (4)** above, we will refund 90% of the pro rata unearned premium. However, the refund will be less than 90% of the pro rata unearned premium if the refund of such amount would reduce the premium retained by us to an amount less than the minimum premium for this policy.

- d.** The cancellation will be effective even if we have not made or offered a refund.

- e.** If the first Named Insured cancels the policy, we will retain no less than \$100 of the premium, subject to the following:

- (1) We will retain no less than \$250 of the premium for the Equipment breakdown Coverage Part.
- (2) We will retain the premium developed for any annual policy period for the General Liability Classifications, if any, shown in the Declarations.

E. The following is added to the **Cancellation** in the Contractors Common Policy Conditions:

7. Cancellation Of Policies In Effect More Than 60 Days

- a. If this policy has been in effect more than 60 days or is a renewal policy, we may cancel only for one or more of the following reasons:
 - (1) Nonpayment of premium;
 - (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
 - (3) The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
 - (4) Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or its occupancy which substantially increases any hazard insured against under the policy;
 - (5) Nonpayment of membership dues in those cases where our by-laws, agreements or other legal instruments require payment as a condition of the issuance and maintenance of the policy; or
 - (6) A material violation of a material provision of the policy.
- b. Subject to Paragraph 7.c., if we cancel for:
 - (1) Nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Insured and any lienholder or loss payee named in the policy at least 10 days before the effective date of cancellation.
 - (2) Any other reason, we will mail or deliver notice of cancellation to the first Named Insured and any lienholder or loss payee named in the policy at least 20 days before the effective date of cancellation.

F. The following Condition is added and supersedes any other provision to the contrary:

NONRENEWAL

- 1. If we decide not to renew this policy, we will mail to the first Named Insured shown in the Declarations, and to any lienholder or loss payee named in the policy, written notice of nonrenewal at least 60 days before:
 - a. Its expiration date; or
 - b. Its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.However, we are not required to send this notice if nonrenewal is due to the first Named Insured's failure to pay any premium required for renewal.
- 2. We will mail our notice to the first Named Insured's mailing address last known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

ARKANSAS EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE ENDORSEMENT

THIS FORM PROVIDES CLAIMS-MADE AND REPORTED COVERAGE.
PLEASE READ THE ENTIRE FORM CAREFULLY.

For the purposes of the coverage provided by this Employment-Related Practices Liability Coverage Endorsement, **Contractors Policy - Contractors General Liability Coverage, Section A. Coverages** is amended as follows:

A. The following is added to Paragraph A. Coverages:

1. We will pay those sums the insured becomes legally obligated to pay as "damages" resulting from a "wrongful employment practice" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those "damages".

However, we will have no duty to defend the insured against any "suit" seeking "damages" because of a "wrongful employment practice" to which this insurance does not apply. We may, at our sole discretion, investigate any incident that may result from a "wrongful employment practice". We may, with your written consent, settle any "claim" that may result. But:

- a. The amount we will pay for "damages" is limited as described in Paragraph **D. Liability and Medical Expenses Limits of Insurance**;
- b. The coverage and duty to defend provided by this Endorsement will end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

2. This insurance applies to a "wrongful employment practice" only if:
 - a. The "wrongful employment practice" takes place in the "coverage territory";
 - b. The "wrongful employment practice" did not commence before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and

- c. A "claim" against any insured for "damages" because of a "wrongful employment practice", in accordance with Paragraphs 3. and 4. below, is first made during the policy period or the Automatic Extended Reporting Period as described in Paragraph **G**.

3. A "claim" will be deemed to have been made at the earlier of the following times:

- a. When notice of such "claim" after being received by any insured is reported to us in writing; or
- b. When a "claim" against an insured is made directly to us in writing.

A "claim" received by the insured during the policy period and reported to us within 60 days after the end of the policy period will be considered to have been reported within the policy period. However, this 60 day grace period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such "claims".

4. If during the policy period you become aware of a "wrongful employment practice" that may reasonably be expected to give rise to a "claim" against any insured, you must provide notice to us in accordance with the provisions of Paragraph **F. Conditions, 3. Duties In The Event Of A "Claim" Or An Incident That May Result In A "Claim"**. If such notice is provided, then any "claim" subsequently made against any insured arising out of that "wrongful employment practice" shall be deemed under this policy to be a "claim" made during the policy period in which the "wrongful employment practice" was first reported to us.

B. Exclusions

For purposes of this Employment-Related Practices Liability Coverage Endorsement, Paragraph **B. Exclusions, 1. Applicable to Contractors Liability Coverage** of the **Contractors Policy - Contractors General Liability Coverage** is deleted and replaced with the following:

This insurance does not apply to:

1. Bodily Injury

Any liability arising out of "bodily injury".

2. Criminal, Fraudulent Or Malicious Acts

An insured's liability arising out of criminal, fraudulent or malicious acts or omissions by that insured.

This exclusion does not affect our duty to defend, in accordance with Paragraph **A.1.** above, an insured prior to determining, through the appropriate legal processes, that that insured is responsible for a criminal, fraudulent or malicious act or omission.

3. Contractual Liability

Any "wrongful employment practice" for which the insured is obligated to pay "damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "damages" that the insured would have in the absence of the contract or agreement.

4. Workers Compensation And Similar Laws

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

5. Violation Of Laws Applicable To Employers

A violation of your responsibilities or duties required by any other federal, state or local statutes, rules or regulations, and any rules or regulations promulgated therefore or amendments thereto, except for the following: Title VII of the Civil Rights Act of 1964 and amendments thereto, the Americans With Disabilities Act, the Age Discrimination in Employment Act, the Equal Pay Act, the Pregnancy Discrimination Act of 1978, the Immigration Reform Control Act of 1986, the Uniformed Services Employment and Reemployment Rights Act of 1994 and the Family and Medical Leave Act of 1993 or any other similar state or local statutes, rules or regulations to the extent that they prescribe responsibilities or duties concerning the same acts or omissions.

However, this insurance does not apply to a "wrongful employment practice" arising out of your failure to comply with any of the accommodations for the disabled required of you by, or any expenses incurred as the result of physical modifications made to accommodate any person pursuant to, the Americans With Disabilities Act, or any amendments thereto, or any similar state or local statutes, rules or regulations to the extent that they prescribe responsibilities or duties concerning the same acts or omissions.

This exclusion does not apply to any "claim" for retaliatory treatment by an insured against any person making a "claim" pursuant to such person's rights under any statutes, rules or regulations.

6. Strikes And Lockouts

Any "wrongful employment practice" committed against any striking or locked-out "employee", or to an "employee" who has been temporarily or permanently replaced due to any labor dispute.

7. Prior Or Pending Litigation

Any "claim" or "suit" against any insured which was pending on, or existed prior to the Retroactive Date shown in the Declarations, or any "claim" or "suit" arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such "claim" or "suit".

8. Prior Notice

Any "wrongful employment practice" alleged or contained in any "claim" which has been reported, or for which in any circumstance, notice has been given, under any other prior insurance policy providing essentially the same type of coverage.

9. Property Damage

Physical injury to tangible property, including all resulting loss of use of that property.

10. Employment Contracts

Breach of any express contract of employment or any express obligation to make payments in the event of termination of employment.

Issuance of an employee manual or handbook shall not be considered an express contract of employment.

11. Publication of Materials

Oral or written publication of material, if such material:

- a. Was published by or at the direction of any insured with knowledge of its falsity; or
- b. Was first published before the Retroactive Date.

C. Supplementary Payments

For purposes of this Employment-Related Practices Liability Endorsement, Paragraph **A.1.f. Coverage — Extension — Supplementary Payments** of the **Contractors Policy - Contractors General Liability Coverage** is deleted and replaced with the following:

1. We will pay, with respect to any “claim” we investigate or settle, or any “suit” against an insured we defend:
 - a. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - b. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.
 - c. The cost of bonds to appeal a judgment or award in any “claim” we defend. We do not have to furnish these bonds.
 - d. The cost of bonds to release attachments, but only for bond amounts within the amount of insurance available. We do not have to furnish these bonds.
2. These payments will not reduce the Limit of Insurance nor be subject to Paragraph **E.2. Deductible**.

D. Who Is An Insured

For purposes of this Employment-Related Practices Liability Coverage Endorsement, Paragraph **C. Who Is An Insured** of the **Contractors Policy – Contractors General Liability Coverage** is deleted and replaced by the following:

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

- b. A partnership or joint venture, you are an insured. Your current or former members and your current or former partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your current or former members are also insureds but only with respect to the conduct of your business. Your current or former managers are also insureds but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your current or former “executive officers” and directors are also insureds but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Your “employees” are also insureds, unless otherwise excluded in this policy.
 3. Your former “employees” are also insureds, unless otherwise excluded in this policy, but only with respect to a “wrongful employment practice” committed while in your employ.
 4. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.
 5. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. You must notify us of such acquisition or formation as soon as practicable. However, coverage under this provision:
 - a. Is afforded only until the 90th day after you acquire or form the organization, or until the end of the policy period, whichever is earlier; and
 - b. Does not apply to a “wrongful employment practice” committed before you acquired or formed the organization.

- c. You must pay us any additional premium due as a condition precedent to the enforceability of this additional extension of coverage.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

E. Limits of Insurance

For the purposes of this Employment-Related Practices Liability Coverage Endorsement, Paragraph **D. Liability And Medical Expenses Limits of Insurance** in the **Contractors Policy – Contractors General Liability Coverage** is deleted and replaced with the following:

1. Limits of Insurance

- a. The Aggregate Limit shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - (1) Insureds;
 - (2) "Claims" made or "suits" brought; or
 - (3) Persons, organizations or government agencies making "claims" or bringing "suits".
- b. The Aggregate Limit is the most we will pay for the sum of all "damages" because of all "wrongful employment practices" to which this insurance applies.
- c. Subject to **b.** above, the Each "Claim" Aggregate stated in the Declarations is the most we will pay, in excess of the deductible for the sum of all "damages" arising out of one "claim", whether such "claim" is brought by one or more claimants.

The Limit of Insurance of this Endorsement applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Aggregate Limit.

2. Deductible

- a. We will not pay for our share of "damages" until the amount of "damages" exceeds the Deductible shown in the Declarations. We will then pay the amount of "damages" in excess of the Deductible, up to the Limit of Insurance.

Example No. 1

Deductible: \$5,000

Limit of Insurance: \$50,000

"Damages": \$40,000

The Deductible will be subtracted from the amount of "damages" in calculating the amount payable:

$\$40,000 - \$5,000 = \$35,000$ Amount Payable

Example No. 2

Deductible: \$5,000

Limit of Insurance: \$50,000

"Damages": \$120,000

The Deductible will be subtracted from the amount of "damages" ($120,000 - \$5,000 = \$115,000$). Since the amount of the "damages" minus the Deductible exceeds the Limit of Insurance, the policy will pay the full Limit of Insurance (\$50,000).

- b. The Deductible amount shown in the Declarations applies to all "claims" arising out of:
 - (1) The same "wrongful employment practice"; or
 - (2) A series of incidents, circumstances or behaviors which arise from a common cause

regardless of the number of persons, organizations or government agencies making such "claims".
- c. We may pay any part or all of the Deductible amount to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible amount as has been paid by us.

F. Conditions

For purposes of this Employment-Related Practices Liability Coverage Endorsement, Paragraph **E. Liability And Medical Expenses General Conditions** in the **Contractors Policy – Contractors General Liability Coverage** is deleted and replaced with the following:

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Endorsement.

2. Consent To Settle

If we recommend a settlement to you which is acceptable to the claimant, but to which you do not consent, the most we will pay as “damages” in the event of any later settlement or judgment is the amount for which the “claim” could have been settled, to which you did not give consent, less any Deductible.

3. Duties In The Event Of A “Claim” Or An Incident That May Result In A “Claim”

- a. If a “claim” is received by any insured, you must:
 - (1) Immediately record the specifics of the “claim” and the date received; and
 - (2) Notify us, in writing, as soon as practicable.
- b. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the “claim”;
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the “claim” or defense against the “suit”;
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of a “wrongful employment practice” or “damage” to which this insurance may also apply.
- c. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our written consent.
- d. If you have knowledge of a “wrongful employment practice” for which a “claim” has not yet been received you must notify us, in writing, as soon as practicable. Such notice must provide:
 - (1) A description of the “wrongful employment practice”, including all relevant dates;
 - (2) The names of the persons involved in the “wrongful employment practice”, including names of the potential claimants;
 - (3) Particulars as to the reasons for anticipating a “claim” which may result from such “wrongful employment practice”;

(4) The nature of the alleged or potential “damages” arising from such “wrongful employment practice”; and

(5) The circumstances by which the insured first became aware of the “wrongful employment practice”.

4. Legal Action Against Us

No person or organization has a right under this Endorsement:

- a. To join us as a party or otherwise bring us into a “suit” asking for “damages” from an insured; or
- b. To sue us on this Endorsement unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for “damages” that are not payable under the terms of this Endorsement or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

We will also not be liable for the insured's share of any payment due because of a settlement or judgment for which the insured is responsible under Paragraph E. 2. Deductible.

5. Other Insurance

If other valid and collectible insurance is available to the insured, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. We will not seek contribution from any other insurance available to you or the involved insured unless the other insurance is specifically designed to provide coverage because of liability arising out of a “wrongful employment practice”. Then we will share with that other insurance by the method described below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is effective prior to the beginning of the policy period shown in the Declarations of this insurance; and

(2) Applies on other than a claims-made basis,

if the other insurance has a policy period which continues after the Retroactive Date shown in the Declarations.

When this insurance is excess, we will have no duty to defend any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

The method chosen for the handling of other valid insurance will not affect your responsibility to share with us as specified under Paragraph **E.2. Deductible**.

6. Representations

By accepting this policy, you agree that:

- a. The statements in the Application and Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limit of Insurance, and any rights or duties specifically assigned in this Endorsement to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom "claim" is made.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

We will be entitled to recovery only after the insured ("insured") has been fully compensated for the loss or damage sustained, including expenses incurred in obtaining full compensation for the loss or damage.

9. If You Are Permitted To Select Defense Counsel

If, by mutual agreement or court order, the insured is given the right to select defense counsel and the Limit of Insurance has not been used up, the following provisions apply:

- a. We retain the right, at our discretion, to:
 - (1) Settle, approve or disapprove the settlement of any "claim"; and
 - (2) Appeal any judgment, award or ruling at our expense.
- b. You and any other involved insured must:
 - (1) Continue to comply with Paragraph **F.3. Duties In The Event Of A "Claim" Or An Incident That May Result In A "Claim" Condition** as well as the other provisions of this Endorsement; and
 - (2) Direct defense counsel of the insured to:
 - (a) Furnish us with the information we may request to evaluate those "suits" for coverage under this Endorsement; and
 - (b) Cooperate with any counsel we may select to monitor or associate in the defense of those "suits".

- c. If we defend you under a reservation of rights, both your and our counsel will be required to maintain records pertinent to your "defense expenses". These records will be used to determine the allocation of any "defense expenses" for which you may be solely responsible, including defense of an allegation not covered by this insurance.

10. Transfer Of Duties When Limit Of Insurance Is Used Up

- a. If we conclude that, based on "claims" which have been reported to us and to which this insurance may apply, the Limit of Insurance is likely to be used up in the payment of judgments or settlements for "damages" we will notify the first Named Insured, in writing, to that effect.
- b. When the Limit of Insurance has actually been used up in the payment of judgments or settlements for "damages", we will:
 - (1) Notify the first Named Insured in writing, as soon as practicable, that such a limit has actually been used up and that our duty to defend the insured against "suits" seeking "damages" subject to that limit has also ended;
 - (2) Initiate, and cooperate in, the transfer of control to any appropriate insured, of all "suits" for which the duty to defend has ended for the reason described in Paragraph **b.(1)** above and which are reported to us before that duty to defend ended; and
 - (3) Take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.
- c. When **b.(1)** above has occurred, the first Named Insured, and any other insured involved in a "suit" seeking "damages" subject to that limit, must:
 - (1) Cooperate in the transfer of control of "suits"; and
 - (2) Arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.

- d. We will take no action with respect to defense for any "claim" if such "claim" is reported to us after the applicable Limit of Insurance has been used up. It becomes the responsibility of the first Named Insured, and any other insured involved in such a "claim", to arrange defense for such "claim".
- e. The first Named Insured will reimburse us as soon as practicable for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph **b. (2)** above.
- f. The exhaustion of the applicable Limit of Insurance and the resulting end of our duty to defend will not be affected by our failure to comply with any of the provisions of this Condition.

11. When We Do Not Renew

If we decide not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal at least 30 days before the end of the policy period, or earlier if required by the state law or regulation controlling the application of this Endorsement.

If notice is mailed, proof of mailing will be sufficient proof of notice.

12. Two or More Policies or Coverage Parts

If there are two or more Policies or Coverage Parts issued by us or an affiliated company that apply to the same allegations or "damages" to which this Endorsement applies, then the aggregate maximum Limit of Insurance under all of the Policies or Coverage Parts shall not exceed the highest applicable Limit of Insurance under any one Policy or Coverage Part. This condition does not apply to any Policy or Coverage Part issued by us or an affiliated company specifically to apply as excess insurance over this Endorsement.

G. Automatic Extended Reporting Period

- 1. We will provide an Automatic Extended Reporting Period, described below, if:
 - a. This Endorsement is cancelled or not renewed for any reason; or
 - b. We renew or replace this Endorsement with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Declarations; or
 - (2) Does not apply to "wrongful employment practices" on a claims-made basis.
- 2. The Automatic Extended Reporting Period, as specified in Paragraph **1.a.** above, is provided without charge and lasts for three years.

3. The Automatic Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of coverage provided. It applies only to "claims" to which the following applies:

- a. The "claim" is first made during the Automatic Extended Reporting Period;
- b. The "wrongful employment practice" occurs before the end of the policy period; and
- c. The "wrongful employment practice" did not commence before the Retroactive Date, if any.

4. When the Automatic Extended Reporting Period is in effect, we will provide a Supplemental Limit of Insurance for any "claim" first made during the Automatic Extended Reporting Period.

The Supplemental Limit of Insurance will be equal to the Aggregate Limit shown in the Declarations in effect at the end of the policy period and will be the most we will pay for the sum of all "damages" for the total of all "claims" first received and recorded during the Automatic Extended Reporting Period.

Subpart 1.b. of Paragraph E. **Limit of Insurance** will be amended accordingly.

5. The Automatic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for the exhaustion of the amount of insurance applicable to such "claims".

H. Definitions

For purposes of this Employment-Related Practices Liability Coverage Endorsement, **Section F. Liability and Medical Expenses Definitions** in the **Contractors Policy – Contractors General Liability Coverage** is deleted and replaced with the following:

1. "Bodily injury" means physical injury to the body, sickness or disease sustained by a person as the result of direct physical injury to the body, including death resulting directly from any of these at any time. "Bodily injury" does not include mental anguish that results from a "wrongful employment practice".
2. "Claim" means a "suit" or written demand against the insured for "damages" because of an alleged "wrongful employment practice". "Claim" includes:
 - a. A written notice to;
 - b. A written charge against; or
 - c. A written demand against the insured made by:
 - (1) A current or former "employee";

- (2) An applicant for employment; or

- (3) The Equal Employment Opportunity Commission or any other federal, state or local administrative or regulatory agency on behalf of such person in items (1) or (2) immediately preceding;

advising that it is the intention of such person, or agency to hold the insured responsible for the consequences of a "wrongful employment practice" covered under this Endorsement.

"Claim" does not include labor or grievance arbitration subject to a collective bargaining agreement.

3. "Coverage territory" means:

- a. The United States of America (including its territories or possessions) and Puerto Rico; or
- b. All parts of the world if the insured's responsibility to pay "damages" is determined in a "suit" on the merits brought in the territory described in Paragraph a. above or in a settlement we agree to.

4. "Damages" means compensatory monetary amounts the insured is legally obligated to pay as judgments, awards and settlements to which we have agreed in writing. "Damages" do not include:

- a. Civil, criminal, administrative or other fines or penalties;
- b. Any portion of a judgment or award that represents a multiple of the compensatory amounts (except for multiplied damages awarded pursuant to the Age Discrimination in Employment Act), liquidated damages;
- c. Equitable relief, injunctive relief, declarative relief or any other relief or recovery other than monetary amounts; or
- d. Judgments or awards deemed uninsurable by law.

5. "Defense expenses" means payments allocated to a specific "claim" we investigate, settle or defend, for its investigation, settlement or defense, including:

- a. Fees and salaries of attorneys and paralegals we retain.
- b. Fees of attorneys the insured retains when, by our mutual agreement or court order (or when required by administrative hearing or proceeding), the insured is given the right to retain defense counsel to defend against a "claim".

- c. All other litigation or administrative hearing expenses, including fees or expenses of expert witnesses hired either by us or by the defense attorney retained by an insured.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim", including actual loss of earnings up to \$250 a day because of time off from work.
- e. Costs taxed against the insured in the "suit".

"Defense expenses" does not include salaries, wages, remuneration, fees or expenses of our "employees" or the insured's "employees" (other than those described in Paragraph d. above) and does not include fees and expenses of independent adjusters we hire.

6. "Employee" means a person:

- (a) employed by you for wages or salary; or
- (b) who is a current or former member of your board of directors.

"Employee" includes a "leased worker" and a "temporary worker", but "employee" does not include any independent contractor or any "employees" of any independent contractor while acting within the scope of their employment.

- 7. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- 8. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
- 9. "Suit" means a civil proceeding in which "damages" because of a "wrongful employment practice" to which this insurance applies are alleged, including:
 - a. An arbitration proceeding in which such "damages" are claimed and to which the insured must submit or does submit with our consent;
 - b. Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent; or

- c. Any administrative proceeding or hearing conducted by a governmental agency (federal, state or local) having the proper legal authority over the matter in which such "damages" are claimed.

"Suit" does not include labor or grievance arbitration subject to a collective bargaining agreement.

- 10. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- 11. "Wrongful employment practices" means any of the following practices directed against any current or former "employee", or applicant for employment by you:
 - a. Wrongful demotion or failure to promote a qualified "employee", negligent "employee" evaluation including the giving of negative or defamatory statements in connection with an "employee" reference or wrongful refusal to employ a qualified applicant for employment;
 - b. Wrongful dismissal, discharge or termination of employment, including retaliation or constructive termination of an "employee";
 - c. Wrongful denial of training, wrongful deprivation of career opportunity, negligent reassignment or wrongful discipline.
 - d. Negligent hiring or supervision which results in any of the other offenses listed in this definition;
 - e. Retaliatory action against an "employee" because the "employee" has:
 - (1) Declined to perform an illegal or unethical act;
 - (2) Filed a complaint with a governmental authority or a "suit" against you or any other insured in which "damages" are claimed;
 - (3) Testified against you or any other insured at a legal proceeding; or
 - (4) Notified a proper authority of any aspect of your business operation which is illegal;
 - f. Coercing an "employee" to commit an unlawful act or omission within the scope of that person's employment;

- g.** Harassment, discrimination or humiliation as a consequence of race, color, national origin, religion, marital status, medical condition, gender, age, physical appearance, physical or mental impairment, pregnancy, sexual orientation or sexual preference; or
- h.** Oral or written publication of material that slanders, defames or libels an "employee" or violates or invades an "employee's" right to privacy.

"Wrongful employment practice" also means harassment, discrimination or humiliation as a consequence of race, color, national origin, religion, marital status, medical condition, gender, age, physical appearance, physical or mental impairment, pregnancy, sexual orientation or sexual preference directed against an independent contractor or volunteer by you.

<i>SERFF Tracking Number:</i>	<i>GCCW-125383051</i>	<i>State:</i>	<i>Arkansas</i>
<i>First Filing Company:</i>	<i>General Casualty Company of Wisconsin, ...</i>	<i>State Tracking Number:</i>	<i>EFT \$50</i>
<i>Company Tracking Number:</i>	<i>020108 10363F</i>		
<i>TOI:</i>	<i>05.0 Commercial Multi-Peril - Liability & Non-</i>	<i>Sub-TOI:</i>	<i>05.0003 Commercial Package</i>
	<i>Liability</i>		
<i>Product Name:</i>	<i>AR Form Intro CX</i>		
<i>Project Name/Number:</i>	<i>AR Form Intro CX/</i>		

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: GCCW-125383051 State: Arkansas
First Filing Company: General Casualty Company of Wisconsin, ... State Tracking Number: EFT \$50
Company Tracking Number: 020108 10363F
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package
Liability
Product Name: AR Form Intro CX
Project Name/Number: AR Form Intro CX/

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Approved 01/03/2008

Comments:

Attachments:

P and C Transmittal.pdf
Form Filing Schedule Pg 1.pdf
Form Filing Schedule Pg 2.pdf
Form Filing Schedule Pg 3.pdf
Form Filing Schedule Pg 4.pdf

Satisfied -Name: Forms Memorandum **Review Status:** Approved 01/03/2008

Comments:

Attachment:

CX forms Memorandum.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		

3. Group Name	Group NAIC #
QBE	0796

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
General Casualty Company of Wisconsin	WI	24414	39-0301590	
Regent Insurance Company	WI	24449	39-6062860	

5. Company Tracking Number	020108 10363F
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Katie Fischer, One General Drive, Sun Prairie, WI 53596	System Support Specialist	1-800-362-5448, Ext 605168	608-825-5100	katie.fischer@gene ralcasualty.com

7.	Signature of authorized filer	
8.	Please print name of authorized filer	Katie Fischer

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	Commercial Package
10. Sub-Type of Insurance (Sub-TOI)	Contractors
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	Commercial Contractors
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 2/1/2008 Renewal:
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	NA

17. Reference Organization # & Title	NA
18. Company's Date of Filing	12/11/2007
19. Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #	020108 10363F
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21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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This filing is intended to introduce our Commercial Contractors Program into the state of Arkansas. This program is designed for small to medium sized commercial risks. This filing includes all applicable forms that we intend to use when writing this line of business.

Details of the forms applicable to this program can be found in the enclosed memorandum. Please feel free to contact me if you have any questions or need any additional information on this filing. Thank you for your attention and consideration.

22. Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #: NA
Amount: EFT

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

Effective March 1, 2007

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)
 (Do **not** refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #		020108 10363F		
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)				
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Contractors Policy Jacket & Quick Reference	CX 0002 0400	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Contractors Declarations	CX 0001 0799	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Contractors Additional Declaration-Property Coverage Schedule of Premises	CX 0004 0799	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Contractors Additional Declaration - Coverage Options (Page 1)	CX 0005 0407	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Contractors Additional Declaration - Coverage Options (Page 2)	CX 0005 0407	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Contractors Additional Declaration - Supplemental Schedule of Premises	CX 0006 0799	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Contractors Equipment Schedule Declarations	CX 3000 0799	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Contractors Policy	CX 0003 0806	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Standard Property Coverage	CX 1001 0999	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	Earthquake Coverage	CX 1002 0999	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

FORM FILING SCHEDULE

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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Loss Payable Provisions	CX 1003 0999	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Building Coverage For Building Owners Endorsement	CX 1004 1289	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Blanket Property Insurance	CX 1019 0999	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Ordinance Or Law Coverage	CX 1020 0999	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Exclusion - Damage to Premises Rented to You	CX 2000 099	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Exclusion - Medical Expenses Coverage	CX 2001 0999	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Schedule of Additional Insureds	CX 2002 0787	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Exclusion - All Hazards in Connection with Designated Premises	CX 2003 0999	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Additional Persons Insured- Employee Bodily Injury to Another Employee	CX 2005 0806	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	Employee Benefit Liability Coverage	CX 2006 0806	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)
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1.	This filing transmittal is part of Company Tracking #		020108 10363F		
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)				
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Limited Pollution Coverage - Work Sites	CX 2007 0806	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Contractors Errors And Omissions Liability Coverage	CX 2012 0999	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Pesticide Or Herbicide Applicator Coverage	CX 2013 0999	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Exterior Insulation And Finish Systems Exclusion	CX 2015 0702	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Fungi or Bacteria Exclusion	CX 2016 0806	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Exclusion - Lead Liability	CX 2018 0402	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Additional Insured Endorsement - Scheduled Person Or Organization	CX 2021 0806	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Waiver of Transfer of Rights of Recovery Against Others To Us-Contractors Liability Coverage	CX 2022 1002	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Amendments of Limits For Moisture Related Damage	CX 2023 0204	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	Contractors Equipment - Standard Coverage	CX 3001 0999	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)
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1.	This filing transmittal is part of Company Tracking #		020108 10363F		
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)				
3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Exclusion - Installation & Construction Coverage	CX 3002 0999	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Contractors Inland Marine Loss Payable Provisions	CX 3003 1289	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Hired Contractors Equipment	CX 3005 0796	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Weight Of Load Extension	CX 3007 0999	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Water Back Up Of Sewers Of Drains	CX 3008 0999	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Coinsurance Waiver	CX 3011 0500	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Premium Audit Endorsement	CX 5012 1101	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Arkansas Changes - Cancellation and Nonrenewal	CX 8102 0408	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Arkansas Employment-Related Practices Liability Coverage Endorsement	CX 8103 0408	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

Memorandum - Contractors Policy
General Casualty Company or Wisconsin
Regent Insurance Company

Policy Jacket and Declarations

Form #	Ed. Date	Form Title
CX 0002	0400	Contractors Policy Jacket & Quick Reference
CX 0001	0799	Contractors Declarations
CX 0004	0799	Contractors Additional Declaration - Property Coverage Schedule Of Premises
CX 0005	0407	Contractors Additional Declaration - Coverage Options (Page 1)
CX 0005	0407	Contractors Additional Declaration - Coverage Options (Page 2)
CX 0006	0799	Contractors Additional Declaration - Supplemental Schedule Of Premises
CX 3000	0799	Contractors Equipment Schedule Declarations

Forms

CX 0003 0806 - Contractors Policy

Contractors Special Property Coverage (CX 0003) Overview

This form makes available the essential property coverages needed by eligible contractors. Buildings and Business Personal Property may be insured for direct damage losses. The form provides coverage on a Special Causes of Loss basis. The coverage form provides for risks of direct physical loss except as specifically excluded or limited by the form. Standard or Named Perils coverage is available by endorsement.

Valuation may be either Actual Cash Value or Replacement Cost for building and business personal property. Replacement Cost valuation will automatically apply to building losses when the cost to repair or replace the damage is less than \$1,000.

Deductible. A \$250 deductible is standard on the Contractors Policy. Optional deductible amounts of \$500 and \$1,000 are available. No deductible applies to Fire Department Service Charge, Business Income, Extra Expense and Civil Authority. Special deductibles may apply to certain optional coverages or endorsements.

Coverages Included

1. Debris Removal. Covered up to 25% of the direct damage loss to covered property. An additional \$10,000 coverage applies if the 25% limitation is exceeded.
2. Preservation of Property. Provides coverage for property removed from an insured location to another location to protect it from loss at the described premises. Coverage applies while the property is being moved and up to 30 days after the move.
3. Fire Department Service Charge. Provides up to \$1,000 coverage for fire department services charges.
4. Collapse. Losses arising out of the collapse of an insured building are covered if the collapse results from:
 - A named peril;
 - Hidden decay;
 - Hidden insect or vermin damage;
 - Weight of people or personal property;
 - Weight of rain collecting on a roof;
 - Defective materials or methods used in construction or renovation, but only if the collapse occurs during construction or renovation.Loss or damage resulting from collapse of personal property is covered if caused by a peril named above if the property is located in an insured building.
5. Water Damage, Other Liquids, Powder or Molten Material Damage. This coverage pays for the cost to tear out and replace portions of a structure in order to repair the damaged system or appliance that the liquid escaped from.
6. Business Income. Provides coverage for the insured's income loss which results from a covered cause of loss to property at an insured location. Coverage is provided for 12 months following the time of loss and is not subject to a specified dollar limit of insurance.
7. Extended Business Income. This coverage pays for loss of income that continues after the damaged property has been restored to the condition it was in prior to loss. This coverage applies for the 60 day period after the date the property was restored to its original condition but does not apply to any period after 12 months following the date of direct loss.

8. **Extra Expense.** Extra Expenses incurred to avoid or minimize a suspension of operations following a direct damage loss to property at the insured's premises are covered. The coverage period is the 12 months immediately following the time of loss. No fixed dollar limit of insurance applies to this coverage.
9. **Pollutant Clean-up and Removal.** This coverage pays for expenses incurred to remove pollutants from land or water at the insured premises. These expenses are covered up to a maximum of \$10,000 in any one policy period.
10. **Civil Authority.** This coverage pays for loss of business income and extra expenses which result from the actions of police or other civil authority which restricts access to the insured's premises due to a covered cause of loss at a neighboring or nearby property not owned or operated by the insured. Coverage for business income loss begins 24 hours after the time of the action and runs for three weeks. Coverage for extra expenses begin immediately after the action and runs for three weeks.
11. **Money Orders and Counterfeit Paper Currency.** This provision will pay up to \$1,000 for loss resulting from the insured's acceptance of counterfeit U.S. or Canadian Currency, or money orders that are not honored by the issuing bank, post office or express company.
12. **Forgery and Alteration.** This coverage provides up to \$2,500 coverage for loss from forgery or alteration of checks or drafts issued by the insured, the agent of the insured, or anyone impersonating the insured or the insured's agent.
13. **Money and Securities.** Coverage is provided for loss of money and securities. A \$10,000 limit applies for loss at the insured's location and at any bank. A \$2,000 limit applies off premises except when located at a bank. The off premises limit can be increased to \$5,000.
14. **Arson Reward.** This clause provides for the payment of up to \$5,000 to any person providing information which leads to an arson conviction in connection with a fire loss covered by the Contractors Policy.
15. **Newly Acquired or Constructed Property.** This extension provides up to \$500,000 coverage for newly acquired or constructed buildings. If the newly acquired or constructed building is located at a location not described on the policy, it must be intended for a similar use as the buildings already insured or for use as a warehouse building. Up to \$250,000 coverage is provided for Business Personal Property of newly acquired locations.
16. **Business Personal Property Off Premises.** \$10,000 coverage is provided for loss to personal property occurring at locations away from the insured's premises.
17. **Outdoor Property.** This extension provides named peril coverage for antennas, trees, shrubs and plants located outside of an insured building.

Coverage applies for losses resulting from:

 - Fire, lightning or explosion;
 - Windstorm or hail;
 - Aircraft or vehicles;
 - Riot, civil commotion or vandalism, or;
 - Theft

A \$2,500 limit of insurance applies subject to a \$500 sublimit on any one tree, shrub or plant.
18. **Personal Effects and Property of Others.** \$5,000 coverage for personal effects and property of others at the described location is provided.
19. **Valuable Papers and Records.** Provides up to \$5,000 coverage for loss of valuable papers and records that can be replaced with like kind and quality. \$2,500 is extended for off premises coverage. Increased limits are available.
20. **Accounts Receivable.** \$5,000 coverage for sums due from the insured's customers, provided the insured is unable to effect the collection thereof, as a direct result of loss of, or damage to, records of accounts receivable. Increased limits are available.
21. **Building Glass.** Building glass losses are covered in full subject to a \$250 deductible. This coverage will also pay the costs for temporary plates and repair or replacement of framing.
22. **Building Property Off Premises.** The extension affords \$5,000 coverage for building property temporarily removed from the described premises. Typically this would apply to items such as windows, awnings, or doors which are off premises for cleaning or repair.
23. **Recharging.** Pays up to \$1,000 for expenses incurred for the recharging of fire extinguishers or fire extinguishing systems when used to fight fire on insured or adjacent premises.
24. **Detached Outdoor Signs.** Pays up to \$5,000 for loss to the insured's detached outdoor signs that are permanently fixed in place. Increased limits are available.

25. Building Limit – Automatic Increase. A 4% increase in the limit of insurance for buildings applies over each 12 month period of the policy. Other increase percentages are available.
26. Business Personal Property – Seasonal Increase. A 25% increase in the Business Personal Property limit of insurance applies if the limit of insurance scheduled on the property is equal to at least 80% of the average business personal property values over the 12 month period immediately prior to the date of any covered loss.

Optional coverages available under this form are:

1. Employee Dishonesty. Provides coverage for dishonest acts of the insured's employees. Coverage is provided on a blanket basis and the limit of insurance applies per occurrence. Coverage includes required coverage for employee welfare or pension plans subject to ERISA requirements.
2. Equipment Breakdown. Covers property built to operate under a vacuum or pressure, or property used for the generation, transmission or utilization of energy for losses caused by mechanical breakdown, or artificially generated electrical current. Also covers explosion to steam boilers and loss or damage to hot water boilers. Coverage includes insurance for expediting expenses, hazardous substances, perishable goods, computer equipment, CFC refrigerants and service interruption.

Contractors General Liability Coverage (CX 0003) Overview

This form provides comprehensive liability and medical payments coverage for all premises and operations owned, leased or operated by the insured including the products – completed operations hazard.

Coverages Included

1. Bodily Injury. This term encompasses bodily injury, sickness or disease and death for which the insured is found legally liable.
2. Property Damage. Coverage is provided for physical injury to property and loss of use of that property for which the insured is legally liable. Also covered is loss of use of property that is not physically injured if it cannot be used due to a loss for which the insured is liable.
3. Medical Expenses. Addresses payment for medical expenses in connection with an accident on the insured's premises or arising out of the insured's activities. Coverage applies regardless of fault. A separate limit of insurance applies to this coverage.
4. Personal and Advertising Injury. This coverage addresses the insured's exposure to loss arising out of personal and advertising injury offenses including:
 - False arrest;
 - Malicious prosecution;
 - Wrongful eviction;
 - Oral or written material that slanders or libels;
 - Violation of right of privacy through oral or written publication of material;
 - Use of another's advertising material; and
 - Copyright, trade dress or slogan infringement.
5. Damage to Premises Rented to You. Provides coverage for fire, explosion or smoke damage to premises rented or leased to the insured when the insured is legally liable for loss. Also expands coverage to property damage (other than damage by fire) for those premises which are rented or temporarily occupied by the insured for 7 days or less.
6. Automatic Coverage for Newly Acquired Organizations. Organizations which are acquired by the insured during the policy period are treated as insureds under the Contractors Policy up to 90 days after acquisition.
7. Broad Form Property Damage. Coverage is provided for losses arising from damage to real property of others away from the insured's business location. However, there is no coverage for losses to the particular part of any real property on which the insured is performing operations.
8. Employees as Additional Insureds. Employees are treated as insureds under the policy while acting within the scope of their duties as employees.
9. Spouses of Individual Named Insureds and partners. If the named insured is a sole proprietor or partnership, the spouses of the sole proprietor or partners are covered as insureds while performing duties for the business.
10. Additional Insureds. Coverage is automatically provided for additional insureds when required by written contract or because of issuance or existence of a permit, to provide liability coverage. A charge is made if the policy must be endorsed to schedule an additional insured.

11. **Host Liquor Liability.** This provision applies to businesses that are not engaged in selling, distributing, serving or manufacturing alcoholic beverages. Coverage is provided for situations where the insured is involved in serving alcoholic beverages on an incidental basis, such as office parties or company picnics.
12. **Contractual Liability.** Coverage is provided for liability assumed under several types of contracts including:
 - Lease of premises;
 - Sidetrack agreement;
 - Easement or license agreement;
 - An obligation to indemnify a municipality when required by ordinance (this does not apply to work performed specifically for a municipality);
 - Elevator maintenance agreement;
 - Other contractual obligations where the insured assumes the tort liability of another (limitations apply – see coverage form).
13. **Incidental Medical Malpractice.** This coverage applies to the rendering or failure to render, incidental medical or first-aid services in conjunction with the insured's business. This coverage does not apply to firms in the business of supplying medical services (such as doctor's offices).
14. **Extended Bodily Injury Coverage.** Coverage is provided for intentional acts using reasonable force which cause bodily injury only if the intentional acts are taken to protect people or property.
15. **Limited Worldwide Coverage.** Coverage is provided for bodily injury, property damage and personal and advertising injury losses which occur anywhere in the world so long as suit is brought within the United States, Puerto Rico or Canada.
16. **Supplemental Property Damage.** Coverage is provided for property of others in the insured's care, custody or control away from the insured's premises.
17. **Non-owned Watercraft.** Coverage is provided for watercraft less than 50 feet in length and not being used to carry persons or property for a charge. Coverage is also provided for any size watercraft while ashore on premises owned or rented by the insured.
18. **Additional Insured – Lessor of Leased Equipment.** The lessor of leased equipment is added as an additional insured with respect to their liability arising out of the insured's maintenance, operations or use of the equipment for the length of lease agreement.
19. **Supplementary Payments.** Payments for the following extensions of coverage apply in addition to the limits of insurance:
 - Expenses incurred by the insured in defense of claims;
 - \$500 for the cost of bail bonds required because of accidents or traffic law violations involving mobile equipment;
 - The cost of bonds to release property attached by a plaintiff to ensure payment of a judgment.
 - Up to \$250 per day for lost wages when an insured must miss work to testify in court or otherwise aid in defense of a claim or suit.
 - Court costs assessed against the insured.
 - Pre-judgment interest awarded by the court against the insured.
 - Post-judgment interest that accrues before the insurer makes payment of a court-ordered judgment.

Limits of Insurance

1. An Each Occurrence Limit applies to all premises-operations and completed operations losses. The Each Occurrence Limit also applies to sums paid for Medical Expenses. The minimum limit available is \$300,000. Increased limits are available.
2. A Personal and Advertising Injury Limit of Insurance applies to each personal injury and advertising injury loss. This limit must be the same as the Each Occurrence Limit.
3. A Damage to Premises Rented to You Limit applies to losses paid for under the Damage to Premises Rented to You coverage. The standard limit is \$100,000. Increased limits are available.
4. The Medical Expense Limit represent the most that will be paid to any one person for medical expenses arising out of any one occurrence. The minimum limit available is \$5,000.
5. **Aggregate Limits**
 - General Aggregate – this limit of insurance is the most that will be paid in each 12 months period for all losses arising from premises-operations (including associated medical expenses), personal and advertising injury and the Damage to Premises Rented to You limit. The General Aggregate Limit does not apply to losses falling within the products-completed operations hazard. The General Aggregate limit is fixed at twice the Each Occurrence Limit. A separate General Aggregate applies for each premises occupied by the insured and for each jobsite.

- Products-Completed Operations Aggregate – this limit is the most that will be paid in each 12 month period for all products-completed operations losses. The Products-Completed Operations Aggregate is fixed at twice the Each Occurrence Limit.
- Supplemental Property Damage Aggregate – This limit is the most that will be paid in each 12 month period for all Supplemental Property Damage losses. The Supplemental Property Damage Aggregate is fixed at \$25,000 and may not be increased.

Optional – Property Damage Deductible

An optional per claim deductible may be applied to the Premises-Operations Property Damage Coverage. Available deductible amounts are: \$100, \$250, \$500 and \$1,000.

Contractors Inland Marine Coverages (CX 00 03)

The Contractors Policy makes available coverage for Contractors Equipment, Installation and Construction and Minicomputer. A standard \$250 deductible applies to all coverages. Optional deductibles of \$500 and \$1,000 are available for the Contractors Equipment coverage. Deductible options are not available for the Installation and Construction and Minicomputer coverages.

1. Contractors Equipment Coverage. This coverage applies to contractors equipment, including miscellaneous tools, which are either the property of the insured, or the property of others leased, loaned or rented to the insured and for which the insured is liable.

The policy makes available Special Coverage, meaning coverage for risks of direct physical loss to covered property, subject to the policy exclusions. Standard or Named Perils Coverage is available by endorsement. Both Standard and Special Coverage are subject to an 80% coinsurance clause.

All items that are over \$1,000 in value and scheduled on the Contractors Equipment Schedule, will be valued on a replacement cost basis. All items less than \$1,000 and not scheduled, will be valued on an actual cash value basis.

Automatic Coverage Extensions include:

- Newly acquired property of the same nature as that scheduled is covered for up to 30 days, subject to a limit of 25% of the contractors equipment scheduled.
- Partial losses are adjusted on a replacement cost basis when the loss amount does not exceed 10% of the actual cash value of the item at the time of loss.

Automatic Additional Coverages include:

- Employees' tools, subject to a limit of \$1,000 per employee and \$5,000 per occurrence.
- Office trailers and contents are covered at jobsites and while in transit, subject to a limit of \$10,000 in any one occurrence.
- Debris removal is covered up to 25% of the direct loss to covered property. An additional \$10,000 coverage applies if the 25% limitation is exceeded.
- Pollutant cleanup and removal pays for expenses incurred to remove pollutants from land or water at the insured's premises. These expenses are covered up to a maximum of \$10,000 in any one policy period.

Optional coverages include:

- Blanket hired contractors equipment, subject to limits of \$25,000, \$50,000, \$100,000 and \$150,000.
 - Coverage for losses when the lifting capacity of the machine has been exceeded.
 - Coverage for rental expense to replace scheduled equipment which has been damaged by an insured peril.
 - Coverage for expenses incurred for rental of equipment to replace equipment scheduled on the policy which has been withdrawn from use due to damage by an insured peril. Coverage is limited to \$500 per day per item and \$15,000 aggregate.
2. Installation and Construction Coverage. This coverage applies to materials, supplies, machinery, equipment, fixtures and temporary structures, including labor costs, usual to the conduct of the insured's business, to be used in the construction, fabrication, installation, erection or completion of property at the insured's jobsites.

Standard limits are \$25,000 at any one jobsite and \$10,000 for property in transit. Optional increased limits of \$50,000 per jobsite/\$15,000 transit and \$75,000 per jobsite/\$25,000 transit are available.

The policy makes available Special Coverage, meaning coverage for risks of direct physical loss to covered property subject to the policy exclusions. Standard or Named Perils Coverage is not available. Coverage is available on an Actual Cash Value Basis only.

The Company shall be liable for no greater proportion of any loss than the limit of liability set forth in the Declarations, as applicable to any one jobsite, bears to the full value as of the completion date of the property insured at the jobsite where the loss occurs.

Automatic Additional Coverages include:

- Collapse Coverage.
 - Debris Removal. Is covered up to 25% of the direct loss to covered property. And additional \$10,000 coverage applies if the 25% limitation is exceeded.
 - Contract penalty reimbursement pays the penalties the insured is required to pay as a result of a failure to deliver their product according to the contract terms. Coverage is limited to a maximum of \$10,000 in any one policy year.
 - Pollutant cleanup and removal pays for expenses incurred to remove pollutants from land or water at the insured's premises. These expenses are covered up to a maximum of \$10,000 in any one policy period.
3. Minicomputer Coverage. This coverage applies to electronic data processing equipment, its component parts, data and media. Automatic Additional Coverages include:
- Collapse coverage;
 - Debris removal;
 - Necessary extra expense incurred by the insured to continue normal operations, which are interrupted as a result of physical loss by a peril insured against. The limit of the company's liability shall not exceed 25% of the minicomputer limit shown in the Declarations.

Automatic Coverage Extensions include:

- Newly acquired property of the same type as already covered is covered for up to 30 days, subject to a limit of 25% of the largest minicomputer limit of insurance shown on the Declarations.
- Coverage is provided for covered property at a newly acquired location for up to the largest minicomputer limit of insurance shown on the Declarations.
- Coverage is provided for covered property while in transit or at a temporary location.

CX1001 0999 - Standard Property Coverage

This is an optional endorsement. This endorsement modifies the Contractors Special Property Coverage under the Contractors Policy (CX 0003).

CX1002 0999 - Earthquake Coverage

This is an optional endorsement. Earthquake coverage provided under Property Coverage may be extended to cover against loss by the attachment of this endorsement. A mandatory 2% deductible applies.

CX1003 0999 - Loss Payable Provisions

This optional endorsement addresses the loss payable clause for Loss Payee, Lenders Loss Payee and Contract of Sale.

CX1004 1289 - Building Coverage For Building Owners Endorsement

This optional endorsement provides a way to include building owners as named insureds just for building coverage.

CX1019 0999 - Blanket Property Insurance

This optional endorsement provides a blanket limit of insurance to be applicable to property losses. The blanket limit is established as the sum of all the building and personal property coverage limits scheduled on the policy. If earthquake coverage has been purchased, this blanket limit does not apply to losses resulting from earthquake or volcanic eruption.

CX1020 0999 - Ordinance Or Law Coverage

This optional endorsement covers losses resulting from the enforcement of ordinances, laws or codes pertaining to building construction. These coverages apply:

- Loss to the Undamaged Portion of the Building – covers the value of the undamaged section of the building which must be destroyed.
- Demolition cost Coverage – covers the costs to demolish the portion of the building which remains standing following loss.
- Increased Cost of Construction – pays the additional cost required to rebuild the building in compliance with current building codes.

This endorsement also addresses the provisions of the Americans With Disabilities Act which relate to structural requirements if ADA compliance is mandated following direct loss to the building.

CX2000 0999 - Exclusion – Damage to Premises Rented to You

This optional endorsement excludes the Damage to Premises Rented to You coverage in the Contractors Policy – Contractors General Liability Coverage (CX 0003).

CX2001 0999 - Exclusion - Medical Expenses Coverage

This optional endorsement excludes the Medical Expenses Coverage in the Contractors Policy – Contractors General Liability Coverage (CX 0003).

CX2002 0787 - Schedule Of Additional Insureds

This is an optional endorsement. Persons or organizations shown on this endorsement are included as insureds, which is required either by written contract or because of the issuance of existence of a permit.

CX2003 0999 - Exclusion - All Hazards In Connection With Designated Premises

This optional endorsement excludes liability arising out of any specific premises.

CX2005 0806 - Additional Persons Insured - Employee Bodily Injury To Another Employee

This optional endorsement provides coverage for employees causing injury to other employees while working within the scope of their employment duties.

CX2006 0806 - Employee Benefit Liability Coverage

This optional endorsement covers liability exposures of employers arising from the administration of an employee benefits plan. Coverage is provided on a "claims-made basis".

CX2007 0806 - Limited Pollution Coverage - Work Sites

This optional endorsement provides coverage for a pollution incident that results from an accidental release of pollutants brought to a job site by a contractor. Coverage is on an occurrence basis and is available with limits of \$25,000, \$50,000, \$100,000, \$300,000, 500,000 and \$1,000,000. All trade group classifications are eligible except for class 97047, Landscape Gardening and 97050, Lawn Care Services.

CX2012 0999 - Contractors Errors And Omissions Liability Coverage

This optional endorsement extends coverage for damages arising out of faulty workmanship, faulty design or faulty or defective products or materials. Coverages is provided on a "claims-made basis". Limits of \$25,000, \$50,000, \$100,000 and \$300,000, \$500,000, \$1,000,000 are available. Coverage is available for mechanical contractors only.

CX2013 0999 - Pesticide Or Herbicide Applicator Coverage

This optional endorsement extends coverage for damages arising out of the ownership, storage, handling, transportation or application of any pesticide, herbicide, fertilizer, nematocides or fungicide. This coverage applies only if the insured meets all federal, state or local standards.

CX2015 0702 - Exterior Insulation And Finish Systems Exclusion

This optional endorsement excludes any liability coverage for risks engaged in installation or servicing of Exterior Insulation and Finish Systems due to known problems.

CX2016 0806 - Fungi Or Bacteria Exclusion

This optional endorsement excludes risks with a known or identifiable exposure to mold losses.

CX2018 0402 - Exclusion - Lead Liability

This optional endorsement excludes coverage for any liability arising out of injury caused by lead.

CX2021 0806 - Additional Insured Endorsement - Scheduled Person Or Organization

This optional endorsement provides coverage for additional insureds for their liability resulting from work performed by the insured as described in written constructions agreements. Coverage applies on an excess basis unless the written agreement specifically requires that coverage for the additional insured be primary or primary and noncontributory.

CX2022 1002 - Waiver Of Transfer Of Rights Of Recovery Against Others To Us-Contractors Liability Coverage

This optional endorsement waives the right of subrogation against the party scheduled in the endorsement.

CX2023 0204 - Amendments Of Limits For Moisture Related Damage

This optional endorsement limits the Aggregate Limit of Insurance under the Contractors General Liability Coverage for damages because of property damage that results from or is alleged to consist of, be caused by, arise out of or be aggravated by moisture related damage.

CX3001 0999 - Contractors Equipment - Standard Coverage

This is an optional endorsement. This endorsement applies to contractors equipment, including miscellaneous tools, which are either the property of the insured, or the property of others leased, loaned or rented to the insured and for which the insured is liable.

CX3002 0999 - Exclusion - Installation & Construction Coverage

This optional endorsement deletes the installation and construction coverage and any declarations references to the coverage.

CX3003 1289 - Contractors Inland Marine Loss Payable Provisions

This optional endorsement provides a way to include loss payees on the contractors policy for the various inland marine coverages.

CX3005 0796 - Hired Contractors Equipment

This optional endorsement provides blanket hired contractors equipment, subject to limits of \$25,000, \$50,000, \$100,000 and \$150,000.

CX3007 0999 - Weight Of Load Extension

The endorsement removes the weight of a load exclusion in the Contractors Equipment Special Coverage.

CX3008 0999 - Water Back Up Of Sewers Or Drains

This optional endorsement provides coverage for losses arising from water that backs up through a sewer or drain. Limits of \$5,000, \$10,000, \$15,000 and \$20,000 are available.

CX3011 0500 - Coinsurance Waiver

This optional endorsement deletes the coinsurance clause from the policy. There is no premium charge for the use of this endorsement

CX5012 1101 - Premium Audit Endorsement

This is a mandatory endorsement. This endorsement states that the policy premium is subject to audit .

CX8102 0408 - Arkansas Changes - Cancellation And Nonrenewal

This is a mandatory endorsement. This endorsement revises the cancellation and nonrenewal provisions under the Contractors Common Policy Conditions (CX 0003) to meeting Cancellation requirements.

CX8103 0408 - Arkansas Employment-Related Practices Liability Coverage Endorsement

This optional endorsement provides coverage for damages and defense costs brought by employees who allege employment discrimination, wrongful termination, sexual harassment, etc. Coverage is provided on a "claims-made" basis. Limits of \$50,000 and \$100,000 are available. Minimum deductible of \$2500 with a \$5000 option.

SERFF Tracking Number: GCCW-125383051 State: Arkansas

First Filing Company: General Casualty Company of Wisconsin, ... State Tracking Number: EFT \$50

Company Tracking Number: 020108 10363F

TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0003 Commercial Package Liability

Product Name: AR Form Intro CX

Project Name/Number: AR Form Intro CX/

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	Contractors Additional Declaration - 12/11/2007 Coverage Options (Page 1 and 2)		Coverage Optional Declaratons (Page 1).pdf Coverage Optionas Declaratons (Page 2).pdf
No original date	Form	Arkansas Changes - Cancellation And Nonrenewal	12/11/2007	CX 8102 0408 - Arkansas Changes - Cancellation and Nonrenewal.pdf

POLICY NUMBER	POLICY PERIOD	COVERAGE IS PROVIDED IN THE		AGENCY
NAMED INSURED AND ADDRESS			AGENT	

COVERAGE OPTIONS

THESE COVERAGE OPTIONS APPLY ONLY WHEN AND AS INDICATED BY AN (X) BELOW:

COVERAGE			LIMIT OF INSURANCE
()	BLANKET PROPERTY		(**)
()	CONTRACTORS EQUIPMENT	PER DAY PER ITEM	\$500
	RENTAL REIMBURSEMENT OPTION	AGGREGATE	\$15,000
()	EMPLOYEE BENEFIT LIABILITY COVERAGE	PER CLAIM	\$
	PER CLAIM DEDUCTIBLE IS \$500	AGGREGATE	\$
()	EMPLOYEE DISHONESTY		\$
()	EMPLOYERS LIABILITY COVERAGE		
	() LIMITED COVERAGE		
	() ENHANCED COVERAGE		
	EMPLOYERS' LIABILITY AGGREGATE LIMIT		\$
	BODILY INJURY BY ACCIDENT — EACH ACCIDENT		\$
	BODILY INJURY BY DISEASE — POLICY LIMIT		\$
	BODILY INJURY BY DISEASE — EACH EMPLOYEE		\$
	*** THIS IS A CLAIMS MADE COVERAGE ***		
()	CONTRACTORS ERRORS AND OMISSIONS	PER CLAIM	\$
		AGGREGATE	\$
()	HIRED CONTRACTORS EQUIPMENT		\$
()	EMPLOYMENT-RELATED PRACTICES LIABILITY	PER CLAIM	\$
	PER CLAIM DEDUCTIBLE: \$	AGGREGATE	\$
	RETROACTIVE DATE:		
	EMPLOYMENT-RELATED PRACTICES LIABILITY IS A CLAIMS-MADE COVERAGE. "DEFENSE COSTS" REDUCE THE AVAILABILITY OF INSURANCE FOR THIS COVERAGE. PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.		

(**) INCLUDED IN THE BUILDING OR BUSINESS PERSONAL PROPERTY LIMIT OF INSURANCE

POLICY NUMBER	POLICY PERIOD	COVERAGE IS PROVIDED IN THE		AGENCY
NAMED INSURED AND ADDRESS			AGENT	

COVERAGE OPTIONS (CONTINUED)

THESE COVERAGE OPTIONS APPLY ONLY WHEN AND AS INDICATED BY AN (X) BELOW:

COVERAGE			LIMIT OF INSURANCE
() LIMITED POLLUTION — WORK SITES	EACH INCIDENT		\$
	AGGREGATE		\$
() PESTICIDE/HERBICIDE APPLICATION	PER CLAIM		\$
	AGGREGATE		\$

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES — CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CONTRACTORS POLICY

- A. Paragraph **5.** of the **Cancellation** in the Contractors Common Policy Conditions is replaced by the following:
- 5. a.** If this policy is cancelled, we will send the first Named Insured any premium refund due.
 - b.** We will refund the pro rata unearned premium if the policy is:
 - (1)** Cancelled by us or at our request;
 - (2)** Cancelled but rewritten with us or in our company group;
 - (3)** Cancelled because you no longer have an insurable interest in the property or business operation that is the subject of this insurance; or
 - (4)** Cancelled after the first year of a pre-paid policy that was written for a term of more than one year.
 - c.** If the policy is cancelled at the request of the first Named Insured, other than a cancellation described in **b.(2), (3) or (4)** above, we will refund 90% of the pro rata unearned premium. However, the refund will be less than 90% of the pro rata unearned premium if the refund of such amount would reduce the premium retained by us to an amount less than the minimum premium for this policy.
 - d.** The cancellation will be effective even if we have not made or offered a refund.
 - e.** If the first Named Insured cancels the policy, we will retain no less than \$100 of the premium, subject to the following:
 - (1)** We will retain no less than \$250 of the premium for the Equipment breakdown Coverage Part.
 - (2)** We will retain the premium developed for any annual policy period for the General Liability Classifications, if any, shown in the Declarations.
- B. The following is added to the **Cancellation** in the Contractors Common Policy Conditions:
- 7. Cancellation Of Policies In Effect More Than 60 Days**
- a.** If this policy has been in effect more than 60 days or is a renewal policy, we may cancel only for one or more of the following reasons:
 - (1)** Nonpayment of premium;
 - (2)** Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
 - (3)** The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
 - (4)** Violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property or its occupancy which substantially increases any hazard insured against under the policy;
 - (5)** Nonpayment of membership dues in those cases where our by-laws, agreements or other legal instruments require payment as a condition of the issuance and maintenance of the policy; or
 - (6)** A material violation of a material provision of the policy.
 - b.** Subject to Paragraph **7.c.**, if we cancel for:
 - (1)** Nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Insured and any lienholder or loss payee named in the policy at least 10 days before the effective date of cancellation.

- (2) Any other reason, we will mail or deliver notice of cancellation to the first Named Insured and any lienholder or loss payee named in the policy at least 20 days before the effective date of cancellation.

- C. The following Condition is added and supersedes any other provision to the contrary:

NONRENEWAL

1. If we decide not to renew this policy, we will mail to the first Named Insured shown in the Declarations, and to any lienholder or loss payee named in the policy, written notice of nonrenewal at least 60 days before:
 - a. Its expiration date; or
 - b. Its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.

However, we are not required to send this notice if nonrenewal is due to the first Named Insured's failure to pay any premium required for renewal.

2. We will mail our notice to the first Named Insured's mailing address last known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.